



PBP 2832159 00 S

MARSH & MCLENNAN AGENCY LLC  
301 COMMERCE ST STE 2201  
FORT WORTH, TX 76102

Acct. Number CL00076369

**To: Insured**

**Your Independent Agent**

COLE & ASHCROFT, LP  
DBA SHUTTERS PLUS;  
5631 BRYSTONE DR  
HOUSTON, TX 77041

MARSH & MCLENNAN AGENCY LLC  
301 COMMERCE ST STE 2201  
FORT WORTH, TX 76102

Thank you for insuring with State Auto Insurance Companies. Attached is information about your new business, renewal or policy change. Please contact your agent with any questions.

Your coverages are listed on the attached declarations pages. Any new or revised coverage forms are attached.

The State Auto Insurance companies and your independent agent strive to provide overwhelming service to you. Please let us know how we can best serve your needs.

**ENCLOSED DOCUMENTS ARE POLICY INFORMATION ONLY.**

**YOUR BILL WILL BE SENT SEPARATELY, IF NEEDED.**

If you have questions concerning policy payment status, please call Payment Services at 1-800-444-9950, Ext. 5118.



NAMED INSURED AND MAILING ADDRESS:

**COLE & ASHCROFT, LP  
DBA SHUTTERS PLUS;  
5631 BRYSTONE DR  
HOUSTON, TX 77041**

AGENT NAME AND ADDRESS:

**MARSH & MCLENNAN AGENCY LLC  
301 COMMERCE ST STE 2201  
FORT WORTH, TX 76102**

**(817) 877-3660**

*Dear Valued Customer,*

*Thank you for allowing us to provide your important insurance protection. Your satisfaction with your insurance coverage is essential to us and we would like to keep you informed about changes to your policy.*

*Please take a moment and review the notices listed below. These notices are intended to make you aware of important changes such as coverage broadenings, reductions or restrictions. Your careful review is appreciated.*

*If you have any questions about these changes, please contact your insurance agency at the address and phone number shown above.*

*Again, thank you for placing your insurance with State Auto Insurance Companies!*

## **POLICYHOLDER INFORMATION**

PN 02 39 07 07	If You Have a Claim
PN 02 23 02 18	Contact Information
PN 02 24 04 07	Texas Notice
PN 02 47 12 07	Inland Marine Coverage Changes
PN 02 26 12 16	Texas - Risk Engineering Services Notice
PN 03 14 12 16	Texas Notice of Risk Engineering Services
PS 00 11 07 07	Notice of Premium Audit
MC 78 03 91	Contractors - Hiring Subcontractors - SAVE Information
PN 04 37 03 13	Texas Period to File Claim or Bring Legal Action - Windstorm/Hail
PS 00 28 01 12	Data Compromise Breach Helpline
PS 00 38 01 14	Data Compromise Breach E-Risk Hub Stuffer
PN 02 33 07 07	Lead Exclusion
PN 02 34 07 07	Asbestos Exclusion
PN 02 37 07 07	Limited Coverage for Terrorism

**1 IMPORTANT NOTICE**

To obtain information or make a complaint:

- 2** You may contact your agent at the telephone number shown on the policy declaration page.
- 3** You may call State Auto's toll-free telephone number for information or to make a complaint at:

**1-800-444-9950**

- 4** You may also write to State Auto at:

518 East Broad Street  
Columbus, OH 43215

- 5** You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

**1-800-252-3439**

- 6** You may write the Texas Department of Insurance:

P.O. Box 149104  
Austin, TX 78714-9104  
Fax: (512) 490-1007  
Web: [www.tdi.texas.gov](http://www.tdi.texas.gov)  
E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

**7 PREMIUM OR CLAIM DISPUTES:**

Should you have a dispute concerning your premium or about a claim, you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**8 ATTACH THIS NOTICE TO YOUR POLICY:**

This notice is for information only and does not become a part or condition of the attached document.

**1 AVISO IMPORTANTE**

Para obtener información o para presentar una queja:

- 2** Puede comunicarse con su agente al teléfono señalado en la carátula de su póliza.
- 3** Usted puede llamar al número de teléfono gratuito de State Auto's para obtener información o para presentar una queja al:

**1-800-444-9950**

- 4** Usted también puede escribir a State Auto:

518 East Broad Street  
Columbus, OH 43215

- 5** Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos, o quejas al:

**1-800-252-3439**

- 6** Usted puede escribir al Departamento de Seguros de Texas a:

P.O. Box 149104  
Austin, TX 78714-9104  
Fax: (512) 490-1007  
Sitio web: [www.tdi.texas.gov](http://www.tdi.texas.gov)  
E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

**7 DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:**

Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con el agente o la compañía primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.

**8 ADJUNTE ESTE AVISO A SU POLIZA:**

Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.

## **POLICYHOLDER DISCLOSURE - NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act (Act), as amended, that you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury --, in concurrence with the Secretary of State, and the Attorney General of the United States-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that coverage provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided on the policy Declarations page and does not include any charges for the portion of loss covered by the federal government under the act.

### **LIMITATION ON PAYMENT OF TERRORISM LOSSES**

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurer's liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

If you purchase this coverage on an umbrella policy, you must also purchase this coverage for any underlying liability policies.

In the context of a newly issued policy or renewal offer, this form becomes part of the application for this coverage.

### **You may select terrorism insurance coverage as follows:**

The portion of your annual policy premium that is attributable to coverage for certified acts of terrorism is shown on the declarations page. If you wish to reject this coverage, please read and complete the form below.

### **You may reject terrorism insurance coverage as follows:**

You may elect to decline coverage for certified acts of terrorism. However, if your policy covers property located in a state with a fire following statutory requirement, the terrorism exclusion makes an exception for fire losses to such covered property resulting from certified acts of terrorism. If you choose to decline coverage for certified acts of terrorism, that rejection is not applicable to fire losses to property in those states resulting from certified acts of terrorism, unless excepted by statute or other regulatory means. A separate premium is displayed on the declarations page for coverage for fire losses that result from certified acts of terrorism.

To reject coverage, you must 'X' the box below, sign your name, print your name, date this form and return it to the company within 30 days. If you choose not to reject this coverage, you do not need to return this form.

<b>X</b>	I hereby elect to exclude losses arising from certified acts of terrorism and understand that I will have no coverage for losses resulting from certified acts of terrorism. I understand that if I exclude certified acts of terrorism coverage, coverage will not be available until my next renewal.
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_____ Policyholder/Applicant's Signature	_____ State Automobile Mutual Insurance Company Insurance Company
_____ Print Name	_____ PBP 2832159 00 Policy Number
_____ Date	

42 - 0003874  
MARSH & MCLENNAN AGENCY LLC  
301 COMMERCE ST STE 2201  
FORT WORTH, TX 76102

(817) 877-3660

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You should know that coverage provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided on the policy Declarations page and does not include any charges for the portion of loss covered by the federal government under the act.

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<b>X</b>	I hereby elect to exclude losses arising from certified acts of terrorism and understand that I will have no coverage for losses resulting from certified acts of terrorism. I understand that if I exclude certified acts of terrorism coverage, coverage will not be available until my next renewal.
----------	---

_____	_____
Policyholder/Applicant's Signature	State Automobile Mutual Insurance Company Insurance Company
_____	_____
Print Name	PBP 2832159.00 Policy Number
_____	
Date	

42 - 0003874  
MARSH & MCLENNAN AGENCY LLC  
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You should know that coverage provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided on the policy Declarations page and does not include any charges for the portion of loss covered by the federal government under the act.

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If you purchase this coverage on an umbrella policy, you must also purchase this coverage for underlying general liability policies.

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<input type="checkbox"/>	I hereby elect to exclude losses arising from certified acts of terrorism and understand that I will have no coverage for losses resulting from certified acts of terrorism. I understand that if I exclude certified acts of terrorism coverage, coverage will not be available until my next renewal.
--------------------------	---

_____	State Automobile Mutual Insurance Company
Policyholder/Applicant's Signature	Insurance Company
_____	PBP 2832159 00
Print Name	Policy Number
_____	
Date	

42 — 0003874

MARSH & MCLENNAN AGENCY LLC  
301 COMMERCE ST STE 2201  
FORT WORTH, TX 76102

(817) 877-3660

Thank you for allowing us to serve your insurance needs

**STATE AUTO** Claim Handlers:  
Fair, Friendly and Fast

State Auto is proud of the service we provide our policyholders when they have a claim. We hope you never have a claim but, if you do, we want to make it as painless and worry-free as possible. We're committed to providing service that's fast - as well as fair and friendly. In fact, we pledge to make an honest effort to contact you within two hours of the time we receive the report of your loss.\*

Please notify your agent as soon as feasible if you have a claim. The sooner your agency knows about your loss, the sooner they can report it to us so we can begin working with you to handle the claim.

\* Although we always want to accomplish the two-hour contact time mentioned in our pledge - and we usually do call within that time period - we're sure you understand that may be impossible at certain unusual times such as when we're faced with a large weather-related catastrophe affecting many people in the same area.

**To report a claim:**

- \* Call your agent or
- \* Call State Auto directly at 1-800-444-9950 or
- \* Report your claim on StateAuto.com

**PN 02 39 07 07 Page 1 of 1**

\*//PN 02 39 07 07

**IMPORTANT NOTICE TO POLICYHOLDER. PLEASE READ IT CAREFULLY.**

## **TEXAS NOTICE**

This policy contains Commercial Crime Coverage Form (Discovery Form), Commercial Crime Policy (Discovery Form), Government Crime Coverage Form (Discovery Form), Government Crime Policy (Discovery Form) or Employee Theft And Forgery Policy (Discovery Form).

The terms of the Commercial Crime Coverage Form, Commercial Crime Policy, Government Crime Coverage Form, Government Crime Policy or Employee Theft And Forgery Policy require that losses be discovered during the policy period or within 60 days from the termination of the policy ("extended discovery period"). Any extended discovery period should be reviewed carefully as well as any endorsement excluding losses sustained prior to a certain date (a "retroactive date").

This notice does not alter or amend the policy. You should read your policy and review your declaration page for complete information on the coverages you are provided. If there are any inconsistencies between the policy and this document, the policy language takes precedence. The policy is the sole source of the terms and conditions applicable to this coverage.

**PN 02 24 04 07 Page 1 of 1**

\*//^PN 02 24 04 07

**IMPORTANT NOTICE TO POLICYHOLDER. PLEASE READ IT CAREFULLY.**

## **INLAND MARINE COVERAGE CHANGES**

If your policy includes Inland Marine Coverage all coverage forms, endorsements, declarations and schedule forms have changed. Some of the changes are superficial and do not affect your coverage, such as the print type and the layout of the information. Other changes include clarification of policy coverage by a change in the format of the material. Most new forms and endorsements have some areas of broadened coverage language and some areas of restricted coverage language when compared with the current policy coverage. The listing below indicates the new coverage form number and what form number has replaced the existing coverage form in most policies. Because of the numerous forms and changes in each form and corresponding endorsements, please review your policy carefully for changes in coverage. Please contact your agent if you have any questions about a possible difference in your coverage.

### **What has Changed - Inland Marine Coverages:**

- \* Accounts Receivable Coverage IM 10 00 01 05 replaces IM 10 00 1.0
- \* Bailee Customers Dry Cleaners and Laundry Coverage IM 75 50 06 04 replaces IM 75 50 1.0
- \* Broadcasting Equipment & Tower Coverage IM 76 00 06 04 replaces Radio & TV Towers IM 76 00 1.0
- \* Builders' Risk Coverage IM 70 50 04 04 replaces IM 70 50 1.2 and IM 70 51 1.1
- \* Camera & Music Instrument Dealer Coverage IM 10 50 01 05 replaces IM 10 50 1.0
- \* Contractors' Equipment IM 70 00 04 04 replaces IM 70 00 1.0 and IM 70 01 1.1
- \* Contractors' Equipment - Small Tools Floater IM 70 03 04 04 replaces coverage for small tools previously covered in IM 70 00 1.0 and IM 70 01 1.1
- \* Computer Coverage IM 72 01 10 02 replaces IM 72 01 1.0
- \* Electronic Data Processing Coverage IM 72 00 10 02 replaces IM 72 00 1.0
- \* Fine Arts Dealer Coverage IM 73 50 04 04 replaces IM 73 50 1.0
- \* Fine Arts Floater Coverage IM 74 00 04 04 replaces IM 74 00 1.0
- \* Exhibition Floater Coverage IM 75 03 04 04 replaces IM 75 03 1.0
- \* Floor Plan Merchandise Coverage IM 11 00 01 05 replaces IM 11 00 1.0
- \* Golf Course Coverage IM 73 00 04 04 replaces IM 73 00 1.0 and IM 73 01 1.0
- \* Installation Floater Coverage IM 71 00 06 04 replaces IM 71 00 1.0
- \* Miscellaneous Bailee - Processor Floater Coverage IM 75 01 04 04 replaces IM 75 01 1.0
- \* Mobile Equipment Dealers IM 11 50 01 05 replaces Implement Dealers IM 11 50 1.0
- \* Motor Truck Cargo Legal Liability Coverage IM 74 50 04 04 replaces IM 74 50 1.0, IM 74 51 1.0, and IM 74 52 1.0
- \* Musical Instruments Coverage IM 12 50 01 05 replaces IM 12 50 1.0
- \* Negative Film Coverage IM 13 00 01 05 replaces IM 13 00 1.0
- \* Owner's Cargo Coverage IM 72 51 06 04 replaces IM 72 51 1.0
- \* Patterns and Dies Floater Coverage IM 75 02 04 04 replaces IM 75 02 1.0
- \* Photographic Equipment Coverage IM 13 50 01 05 replaces IM 13 50 1.0
- \* Physicians and Dentists Coverage IM 14 00 01 05 replaces IM 14 00 1.0
- \* Riggers Liability Coverage IM 71 50 06 04 replaces IM 71 50 1.0
- \* Sales Representative Floater IM 75 04 04 04 replaces IM 75 04 1.0
- \* Scheduled Property Coverage IM 75 00 04 04 replaces IM 75 00 1.0
- \* Sign Coverage IM 14 50 01 05 replaces IM 14 50 1.0
- \* Theatrical Property Coverage IM 1500 09 05 replaces IM 15 00 1.0
- \* Transportation Coverage IM 72 50 04 04 replaces IM 72 50 1.0
- \* Trip Transit Coverage IM 72 52 06 04 replaces IM 72 52 1.0
- \* Valuable Papers and Records Coverage IM 15 50 01 05 replaces 1.0

### **What has Changed - Contractor's Special Coverage (CSC)**

Contractor's Special Coverage CSC 200 07 99 is replaced by:

- \* Special Personal Property Floater Coverage SM 00 03 06 06
- \* Accounts Receivable Coverage IM 10 00 01 05
- \* Sign Coverage IM 14 50 01 05 and Unscheduled Sign Amendment SM 01 49 07 07
- \* Valuable Papers and Records Coverage IM 15 50 01 05
- \* Owner's Cargo Coverage IM 72 51 06 04 replaces Motor Truck Cargo Coverage
- \* Computer Coverage IM 72 01 10 02
- \* Installation Floater Coverage IM 71 01 06 04
- \* Contractor's Equipment Coverage - Small Tools Floater IM 70 03 04 04 & Newly Purchased Property Endorsement SM 01 51 07 07
- \* Contractor's Equipment Coverage IM 70 00 04 04

**Contractor's Special Coverage (CSC) Declaration Page**

Contractor's Special Coverage declaration page is currently one page providing a summary of all coverages. With this change each individual coverage will have its own declaration page.

**Contractor's Special Coverage (CSC) Valuation**

With this change all coverages may use the same valuation basis so that all coverages are written on either a replacement cost or actual cash value basis. If the valuation basis on your current policy varies by individual coverage, you may see a change. The valuation clause may be indicated on the specific coverage dec or by endorsement.

This notice does not include all the possible changes in coverage. Please review your policy for the specific changes that apply to the coverages in your policy.

**No coverage is provided by this summary nor can it be construed to replace any provision of your policy. If there is any conflict between the policy and this summary, the provisions of the policy shall prevail.**

**You should read your policy and review your declarations pages for complete information on the coverages you are provided. If you have any questions, or wish to increase or reduce your limits, please contact your State Auto agent.**

**PN 02 47 12 07 Page 2 of 2**

\*// \*PN 02 47 12 07

**IMPORTANT NOTICE TO POLICYHOLDER. PLEASE READ IT CAREFULLY.**

## **NOTIFICATION OF THE AVAILABILITY OF RISK ENGINEERING INFORMATION/SERVICES**

The State Auto Insurance Companies are committed to providing loss control information and services, at no charge, to its Texas commercial auto liability and general liability policyholders in an effort to prevent and reduce potential claims. For more information or to request these services, please contact State Auto Insurance Companies at 1-800-444-9950 ext. 3647 and [askriskengineering@stateauto.com](mailto:askriskengineering@stateauto.com) for accident prevention services or 1-800-789-2242

## **RISK ENGINEERING SERVICES AVAILABLE**

Thank you for putting your business with the State Auto Insurance Companies.

To assist you with your Workers Compensation, General Liability and Commercial Automobile risk management efforts, the State Auto Insurance Companies provide our valued customers with a full spectrum of result-oriented risk engineering services.

**Our services include:**

- \* Risk Evaluation - Risk evaluation is the identification of exposures to help determine how well management is safeguarding its equipment, materials and human resources. A member of our professional loss control staff will assist you with determining potential loss hazards, analyzing losses to determine causing factors and provide recommendations to assist you with improving your risk control program.
- \* Risk Improvement - Our Risk Improvement services are provided to help management develop and implement controls that can upgrade the safety aspects of the entire operation. A Risk Engineering Specialist can provide you with assistance in the following areas:
  - \* Assistance with developing risk control programs tailored to the needs of your operation
  - \* Return-to-Work Coordination Services
  - \* Drug-Free Workplace Program
  - \* Job Safety Analysis
  - \* Industrial Hygiene Testing
  - \* Ergonomic Evaluations
  - \* Accident analysis for loss trend identification
  - \* Safety Training Programs
  - \* Technical Bulletins
  - \* Safety Program Audits

These services are available to you at no additional charge. For additional information, comments or to request services, feel free to contact our Risk Engineering Service Coordinator, at 800-444-9950, ext. 3647.

We welcome your call!

## **ATTENTION POLICYHOLDER**

### **Notice of Premium Audit**

When we issue a General Liability or Workers Compensation insurance coverage, we base its premiums on estimated values over the upcoming policy period, such as payroll, sales or the cost of work subcontracted to others. Throughout the policy period, the actual values may fluctuate from the amounts used to estimate the policy premium.

To determine the actual values developed over the policy period, we may conduct a premium audit at the end of the term by way of an accounting records review. This review may be by telephone, mail, or a physical examination of the business's accounting records by a State Auto representative.

Final premiums are then adjusted up or down, based on how the actual values compared to the originally estimated values.

**Here are some suggestions that can help make the premium audit process take as little of your time as possible, yet result in the most accurate calculation of your actual premium:**

1. Before your scheduled appointment with the auditor, have your payroll and sales records ready for review for the policy period being audited.
2. Payroll should include an itemized list of all employees and all labor used, and their payroll including overtime, commissions and bonuses for each job duty performed.
3. Sales include the total gross income from the sale and/or installation of goods you sold.
4. If you hire any subcontractors, be prepared to provide the names and the total cost of labor and materials used or delivered for use in the execution of work done by each contractor.
5. The auditor will also ask to review the liability certificates of insurance for the subcontractors doing work on your behalf.

We recommend you require certificates of insurance from all of your subcontractors and keep them on file. Not only can this practice help protect you from the financial consequences of losses caused by your subcontractors, it can also help you avoid potentially higher premium charges than if this important risk management control were not in place.

By maintaining proper accounting records and providing information as requested during the premium audit, you help to manage your overall insurance costs.

**Please contact your State Auto agent should you have any questions relating to your policy.**

## ATTENTION CONTRACTORS - IT'S TIME TO SAVE!

Protect yourself from needless costs and liabilities. Follow these important steps when working with subcontractors.

**S**afety programs are essential for your subcontractors as well as your own employees.

For the safety of all workers on your job sites, it's essential that subcontractors observe the loss control regulations you've established for your business.

Make sure that the contracts you sign require your subcontractors to comply with all state safety requirements, as well as your own safety standards. The documents should also specify that if subcontractors in turn hire subcontractors, the latter must also comply.

Clearly state your own safety regulations within the contract. Be sure to describe the steps you will take if any subcontractor fails to correct an unsafe condition on the job. This way, everyone knows what's expected -- and what will happen if standards are not met.

**A**greements with your subcontractors on their responsibilities should be entered into before work begins.

Hold-Harmless Agreements are an important form of protection for your business. When written in your favor, these legal documents confirm that your subcontractors will assume liability for Bodily Injury or Property Damage losses arising from their actions -- whether suffered by the public or by another contractor's employees on the job site.

Hold-Harmless Agreements are a vital supplement to Certificates of Insurance. These documents confirm that subcontractors are responsible for their own work -- as well as their own insurance protection. Make sure that both are received before your subcontractors begin their activities. Remember that these documents should certify protection for the full duration of the subcontractor's job.

**V**erify insurance protection is secured by all subcontractors before work begins.

The subcontractors you hire should carry their own General Liability, Automobile Liability and Workers Compensation insurance. Their failure to do so can cost you in two ways:

- ' In many states, subcontractors who do not carry their own coverage are treated as your employees for insurance purposes. (Their employees would also be treated as part of your work force.) This may increase the cost of your General Liability and Workers Compensation insurance.

- ' As general contractor, you may be held responsible for the work of your subcontractors. If they have no insurance, you may have to pay for Bodily Injury or Property Damage losses arising from their actions. State law may also require you to pay for injuries suffered by uninsured subcontractors or their employees, if these injuries occur on your job site.

Help prevent these problems by requiring that all subcontractors supply Certificates of Insurance for General Liability, Auto Liability and Workers Compensation coverages before they start work. File these documents in a secure place -- and check with subcontractors regularly to make certain coverage has not lapsed or been cancelled. Coverage must remain in force for the entire period your subcontractors will be on the job.

While we cannot suggest what limits will be adequate, the following may be used as a guideline. These are the minimum limits required to save you the cost of providing for your Subcontractors' protection under your coverage.

#### **Minimum General Liability Coverage**

- ' \$300,000 Products/Completed Operations Aggregate
- ' \$300,000 General Aggregate
- ' \$300,000 Any One Occurrence (Coverage A)
- ' \$300,000 Any One Person or Organization (Coverage B)

**NOTE:** Your subcontractors' General Liability coverage must be written on an occurrence basis.

IF THE WORK BEING PERFORMED BY SUBCONTRACTORS IS UNUSUALLY HAZARDOUS, YOU SHOULD REQUIRE HIGHER GENERAL LIABILITY LIMITS. Your agent can help you establish the proper limits for greater-than-average exposures.

#### **Minimum Automobile Liability Coverage**

\$300,000 Each Accident

**NOTE:** Your subcontractors' Auto Liability coverage should be written to cover all owned and non-owned autos.

#### **Minimum Employers Liability Coverage**

(Coverage "B" on the Workers Compensation Policy)

\$100,000 Each Accident  
\$100,000 Each Employee for Injury by Disease  
\$500,000 Aggregate for Injury by Disease

**E**nter each job with the security of knowing you've protected yourself and your subcontractors.

Your agent will be glad to answer any questions you have about protection for you and your subcontractors. We encourage you to take these steps today to protect yourself and those who work for you.

**TEXAS PERIOD TO FILE A CLAIM OR BRING  
LEGAL ACTION AGAINST US NOTICE -  
WINDSTORM OR HAIL - CATASTROPHE AREA**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), **the provisions of the policy (including its endorsements) shall prevail.**

Carefully read your policy, including the endorsements attached to your policy.

In accordance with Texas Insurance Code Section 2301.010(f), we are notifying you that:

1. With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim; and
2. Any legal action brought against us under the policy for loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, must be brought within the earlier of the following:
  - a. Two years and one day from the date we accept or reject the claim; or
  - b. Three years and one day from the date of the loss or damage that is the subject of the claim.

**PN 04 37 03 13 Page 1 of 1**

\*//PN0437-201303

**d** Insurance Services Office, Inc., 2013

## IMPORTANT INFORMATION

This notice describes an additional benefit being provided to you as a State Auto policyholder with Data Compromise Plus coverage. Please review this document carefully and contact your agent if you have any questions.

### STATE AUTO INSURANCE IDENTITY RECOVERY HELP LINE

**1-800-414-9783**

This policy provides you access to the State Auto Insurance Identity Recovery Help Line. The identity recovery help line can provide individuals who qualify as an "identity recovery insured" with:

- 1) Information and advice for how to respond to a possible "identity theft"; and
- 2) Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

An "identity recovery insured" means:

- a. An individual or sole proprietor when the policyholder is described as an Individual or Sole proprietor.
- b. The current partners when the policyholder is described as a partnership.
- c. All the individuals having 20% or more ownership interest for policyholders described as a corporation or other organization. However, if no one has an ownership position of 20% or more, then the "identity recovery insured" will be the chief executive officer or with respect to a religious institution, the senior ministerial employee.

**No coverage is provided by this notice nor can it be construed to replace any provision of your policy. This notice is only intended to bring more attention to this valuable service which is part of the Data Compromise Plus coverage you have elected to purchase. If there is any conflict between the policy and this summary, the provisions of the policy shall prevail.**

**Please refer to your policy for the actual terms, coverage amounts, conditions and exclusions. If you have any questions, or wish to increase or reduce your limits, please contact your independent State Auto Insurance agent.**

## **Be Prepared for a Data Breach!**

### **Check Out The eRisk Hub Risk Management Portal!**

You've taken a great first step toward protecting your business from a data breach by purchasing a State Auto business insurance policy with our exclusive Data Compromise Plus coverage.

However, if your organization suffers a data breach, would you be prepared? As we all know from the news, even very large companies aren't always ready to respond. Yet, when a breach occurs, time is of the essence.

Now you can develop an effective data breach response plan in advance of a crisis that can help you be prepared, protect your customer relationships, and protect your business reputation.

As part of your Data Compromise Plus coverage, State Auto provides you an online data breach portal that equips you with a risk management tool to help you be prepared should a breach occur. There is no cost to you! This is a complimentary service to you as a State Auto Data Compromise Plus policyholder.

The portal is called **eRisk Hub**, and it's designed to help you better understand your risks and establish a response plan so you can minimize the financial effects of a data breach should one occur.

### **Key Features of the eRisk Hub Portal**

- \* Incident Response Plan Roadmap - suggested steps to take following a data breach
- \* Online Training Modules - ready-to-use training on privacy Best Practices and Red Flag Rules
- \* Risk Management Tools - assist you in managing our cyber risk, including state notification laws
- \* News Center - cyber risk and security news stories, helpful industry links, security blogs
- \* Learning Center - Best Practices stories and webinars from leading cyber security experts
- \* eRisk Resources - a directory to quickly find external resources on pre- and post-breach disciplines

### **Register for eRisk Hub Now**

To access the eRisk Hub portal, all you need to do is register and set up your unique User ID and Password. Just follow these steps:

- \* Go to [www.stateauto.com](http://www.stateauto.com) and click on Insurance at the top of the page. Next, select Business in the left menu box. Use the link on the right of the page titled **Data Compromise Plus**. From this page, click on the link **eRisk Hub** in the center of the page.
- \* Complete the information in the center of the page, including your name and company. Please note that your User ID and Password are case-sensitive.
- \* Enter your assigned **access code: 12116-4**.
- \* Enter the challenge word on the screen and click "Submit".
- \* You will get a "Registration Complete" message on the next screen. You can now login to the portal.

## **POLICYHOLDER DISCLOSURE - LEAD EXCLUSION**

This notice provides a brief synopsis of conditions of this coverage that are restrictive in nature. Please contact your agent if you need to maintain any protection that is described as either reduced or deleted.

**This notice does not alter or amend the policy. You should read your policy and review your declaration page for complete information on the coverage you are provided. If there are any inconsistencies between the policy and this document, the policy language takes precedence. The policy is the sole source of the terms and conditions applicable to this coverage.**

This policy excludes coverage for injury or damage resulting from the exposure to lead or products containing lead. This includes but is not limited to any request, demand or order to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of lead or lead compounds.

**No coverage is provided by this summary nor can it be construed to replace any provision of your policy. This notice is not a contract. It provides only a general overview of exclusionary language. If there is any conflict between the policy and this summary, the provisions of the policy shall prevail.**

**Please refer to your policy for the actual terms, coverage amounts, conditions and exclusions. If you have any questions, or wish to alter coverage, please contact your independent State Auto agent.**

**PN 02 33 07 07 Page 1 of 1**

\*///PN 02 33 07 07

## **POLICYHOLDER DISCLOSURE - ASBESTOS EXCLUSION**

This notice provides a brief synopsis of conditions of this coverage that are restrictive in nature. Please contact your agent if you need to maintain any protection that is described as either reduced or deleted.

**This notice does not alter or amend the policy. You should read your policy and review your declaration page for complete information on the coverage you are provided. If there are any inconsistencies between the policy and this document, the policy language takes precedence. The policy is the sole source of the terms and conditions applicable to this coverage.**

This policy excludes coverage for injury or damage resulting from the exposure to asbestos or products containing asbestos. This includes but is not limited to the installation of asbestos products, the removal of any asbestos products, manufacture, transportation, storage or disposal of asbestos or asbestos containing products.

**No coverage is provided by this summary nor can it be construed to replace any provision of your policy. This notice is not a contract. It provides only a general overview of exclusionary language. If there is any conflict between the policy and this summary, the provisions of the policy shall prevail.**

**Please refer to your policy for the actual terms, coverage amounts, conditions and exclusions. If you have any questions, or wish to alter coverage, please contact your independent State Auto agent.**

**PN 02 34 07 07 Page 1 of 1**

\*///PN 02 34 07 07

## **POLICYHOLDER DISCLOSURE - LIMITED COVERAGE FOR TERRORISM**

This notice provides a brief synopsis of conditions of this coverage that are restrictive in nature. Please contact your agent if you need to maintain any protection that is described as either reduced or deleted.

**This notice does not alter or amend the policy. You should read your policy and review your declaration page for complete information on the coverage you are provided. If there are any inconsistencies between the policy and this document, the policy language takes precedence. The policy is the sole source of the terms and conditions applicable to this coverage.**

This policy excludes coverage for injury or damage from nuclear, biological or chemical terrorism that is not considered a "certified act of terrorism" as defined in the federal Terrorism Risk Insurance Act of 2002.

This policy provides limited coverage for "certified acts of terrorism". The most we will pay for all damages from a "certified act of terrorism" is the amount required of us under the terms of the federal Terrorism Risk Insurance Act of 2002.

The federal Terrorism Risk Insurance Act of 2002 defines a "certified act of terrorism" as 1) an act which results in aggregate losses in excess of \$5 million; and 2) the act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**No coverage is provided by this summary nor can it be construed to replace any provision of your policy. This notice is not a contract. It provides only a general overview of exclusionary language. If there is any conflict between the policy and this summary, the provisions of the policy shall prevail.**

**Please refer to your policy for the actual terms, coverage amounts, conditions and exclusions. If you have any questions, or wish to alter coverage, please contact your independent State Auto agent.**

**PN0237 (07/07) Page 1 of 1**

\*///\*PN0237-200707

# PREFERRED BUSINESS POLICY

**State Automobile Mutual Insurance Company**  
**P.O. Box 182738**  
**Columbus, Ohio 43216**

HOME OFFICE 518 EAST BROAD STREET COLUMBUS OHIO 43215-3976  
TELEPHONE 614-464-5000

**SI1008 (01/16) Page 1 of 2**

\*//SI1008-201601

**CONDITIONS APPLICABLE TO STATE AUTOMOBILE MUTUAL INSURANCE COMPANY**

**DIVIDENDS**

You are entitled to the proportionate part of any policyholder's dividend if declared by our Board of Directors in accordance with its By-Laws.

**NOTICE OF POLICYHOLDERS MEETINGS**

While your policy is in force, you are one of our members and are entitled, in person or by proxy, to one vote at all meetings of the members. The annual meeting of the members is held at 9 o'clock A.M., Columbus time, on the first Friday of March of each year at our Home Office at 518 East Broad Street, Columbus, Ohio.

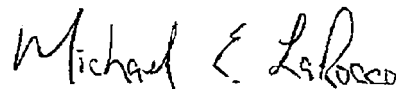
**NON-ASSESSABLE**

This policy is non-assessable and the insured shall not be liable for the payment of any assessment nor for the payment of any premium other than that stated in this policy.

IN WITNESS WHEREOF, we have caused this policy to be signed by our Secretary and President at Columbus, Ohio, and countersigned on the Declarations page by an authorized agent of the State Auto Insurance Companies.

**Secretary**

**President**



**Melissa A. Centers**

**Michael E. LaRocco**

## PREFERRED BUSINESS POLICY COMMON DECLARATIONS

<b>NAMED INSURED AND MAILING ADDRESS:</b> First Named Insured Is Specified To Be: <b>COLE &amp; ASHCROFT, LP</b> <b>DBA SHUTTERS PLUS;</b> <b>5631 BRYSTONE DR</b> <b>HOUSTON, TX 77041</b>		<b>AGENT NAME AND ADDRESS:</b> <b>MARSH &amp; MCLENNAN AGENCY LLC</b> <b>301 COMMERCE ST STE 2201</b> <b>FORT WORTH, TX 76102</b>	
<b>POLICY PERIOD:</b> <b>From: 06/05/2018 To: 06/05/2019</b>		<b>AGENT TELEPHONE NUMBER:</b> <b>(817) 877-3660</b>	<b>AGT. NO.</b> <b>0003874</b>
<b>COVERAGE PROVIDED BY:</b> <b>State Automobile Mutual Insurance Company</b>		<b>A STATE AUTO INSURED SINCE:</b> <b>2018</b>	
<b>AUDITABLE POLICY:</b> <b>Yes</b>	<b>POLICY STATUS:</b> <b>New Business</b>	<b>AFTER-HOURS CLAIMS SERVICE:</b> <b>1-877-SA-CLAIM or www.stateauto.com</b>	

The coverage and these declarations are effective 12:01 AM Standard Time on **06/05/2018** at the above mailing address.

<b>BUSINESS ENTITY TYPE:</b> <b>Corporation</b>	<b>BILLING ACCOUNT NUMBER:</b> <b>CL00076369</b> <b>Account Bill Insured 11-Pay</b>	<b>BILLING QUESTIONS?</b> <b>Call 800-444-9950 x5118</b>
<b>BUSINESS DESCRIPTION:</b> <b>Mfg/Dist Party Supplies</b>		

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

### PREMIUM SUMMARY BY COVERAGE PARTS AND POLICIES

This policy consists of the following coverage parts or policies for which a premium is indicated. This premium may be subject to adjustment.

COVERAGE PARTS	PREMIUMS
Commercial Property Coverage Part	\$12,155.00
Commercial General Liability Coverage Part	\$3,392.00
<hr/>	
<b>SELF-CONTAINED POLICIES</b>	
Commercial Umbrella Policy	\$2,200.00
<hr/>	
Terrorism (included in total below)	\$251.00
<b>POLICY TOTAL AT INCEPTION</b>	<b>\$17,747.00</b>

These declarations together with the Common Policy Conditions and coverage form(s) and any endorsement(s) identified on these declarations and attached to your policy complete the above numbered policy.

**Countersigned** \_\_\_\_\_ **By** \_\_\_\_\_  
(Date) (Authorized Representative)

**FORMS AND ENDORSEMENTS**  
**APPLICABLE TO ALL COVERAGE PARTS**

<b>NEW</b>	<b>FORM OR ENDORSEMENT AND EDITION DATE</b>	<b>ENDORSEMENT TITLE</b> (Only the endorsement titles are shown below, please review the form for a complete description of coverage.)
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*	SI 00 17 11 98	Common Policy Conditions
*	SI 10 08 01 16	Common Policy Jacket
*	SI 11 00 01 04	Installment Payments
*	PN 00 83 01 08	Notice of Terrorism Insurance Coverage

\*Indicates a new form has been added or a replacement form has been substituted for one of an earlier edition. Please retain all forms.

**NAMED INSURED AND MAILING ADDRESS**

In addition to the First Named Insured shown on page 001  
of this Declarations, the following are also named insureds:

Business Entity Type

DBA HULLABALOO TRADING & ADZY

Corporation

## COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

<b>DESCRIPTION OF PREMISES</b>	Premises 0001	Building 001
--------------------------------	---------------	--------------

**Building Address**

 5631 Brystone Dr  
 Houston, TX 77041

**Construction/Protection Class**

 Construction: Non-Combustible  
 Protection Class 03

<b>CLASS CODE</b>	<b>OCCUPANCY</b>
0431	5631 Brystone Drive

### COVERAGES PROVIDED

Insurance at the described premises applies only for coverages for which a limit of insurance is shown.

COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	DEDUCTIBLE	COINSURANCE %	LOSS PAYMENT BASIS	PREMIUM
Building						
	\$1,750,000	Special Form	\$5,000	80%	Replacement Cost	\$3,238
	CP 10 36 - Limitation On Coverage For Roof Surfacing Paragraph B					
	Wind and Hail Deductible: 5%					
	Inflation Guard: 4%					
	Terrorism Insurance Coverage					\$70
Business Personal Property						
	\$1,550,000	Special Form	\$5,000	80%	Replacement Cost	\$1,922
	Wind and Hail Deductible: 5%					
	Inflation Guard: 4%					
	Terrorism Insurance Coverage					\$62
Equipment Breakdown						
			\$5,000			\$561
Business Income Including Extra Expense with Rental Value						
	\$2,400,000	Special Form		80%		\$5,856
	Terrorism Insurance Coverage					\$96
		Terrorism (included in total below)				\$228
		Total Property Premium				\$11,805
		Premier Property Plus Endorsement				\$350
		Total Commercial Property				\$12,155

**FORMS AND ENDORSEMENTS**  
**APPLICABLE TO THE COMMERCIAL PROPERTY COVERAGE PART**

<b>NEW</b>	<b>FORM OR ENDORSEMENT AND EDITION DATE</b>	<b>ENDORSEMENT TITLE</b> (Only the endorsement titles are shown below, please review the form for a complete description of coverage.)
	CP 10 36 10 12	Limitations on Coverage For Roof Surfacing
*	CP 00 90 07 88	Commercial Property Conditions
*	CP 01 40 07 06	Exclusion of Loss Due to Virus or Bacteria
*	CP 00 10 10 12	Building and Personal Property Coverage Form
*	IL 09 52 01 08	Cap on losses from Certified Acts of Terrorism
*	IL 09 85 01 08	Disclosure Pursuant to Terrorism Risk Insurance Act
*	IL 09 95 01 07	Conditional Exclusion of Terrorism
*	IL 09 99 01 07	Disclosure of Premium and Estimated Premium for Certified Acts of Terrorism Coverage
*	IL 02 75 11 13	Texas Changes - Cancellation and Nonrenewal Provisions
*	CP 01 42 03 12	Texas Changes
*	CP 10 30 10 12	Causes of Loss-Special Form
*	CP 03 21 10 12	Windstorm or Hail Percentage Deductible
*	SP 00 21 09 16	Texas Changes
*	SP 00 19 09 16	Equipment And Technology Breakdown Coverage
*	SP 10 07 10 16	Premier Property Plus Endorsement
*	CP 00 30 10 12	Business Income (And Extra Expense) Coverage Form
*	CP 15 56 06 07	Business Income Changes - Beginning Of The Period Of Restoration (No Waiting Period)

\*Indicates a new form has been added or a replacement form has been substituted for one of an earlier edition. Please retain all forms.

## COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

The coverages provided are described in the coverage forms and endorsements attached to your policy and identified in these declarations. The most we will pay for any one occurrence is the greatest of the applicable limit of insurance shown below. Higher limits shown below supersede limits for the same coverage described in the coverage forms and endorsements.

### Premier Property Plus Endorsement Schedule of Coverages Per SP 10 07

OPTIONAL COVERAGES	LIMIT OF INSURANCE	PREMIUM
Accounts Receivable	\$250,000	Included
Additional Covered Property	Included	Included
Arson and Theft Reward	\$50,000	Included
Backup of Sewers and Drains	\$500,000	Included
Brands and Labels	Included	Included
Building Glass Damage - \$500 deductible	Included	Included
Business Income and Extra Expense	\$250,000	Included
Business Income - Dependent Properties	\$250,000	Included
Business Personal Property - Seasonal Automatic Increase	25%	Included
Claim Data Expense	\$10,000	Included
Computer Coverage	\$50,000	Included
Consequential Damage	\$50,000	Included
Credit Card Slips	\$5,000	Included
Debris Removal	\$250,000	Included
Difference in Value - Leased Equipment	Included	Included
Electronic Data	\$25,000	Included
Employee Theft	\$25,000	Included
Equipment Breakdown	Optional	Included
Extended Business Income (only if Business Income Coverage is endorsed)	60 consecutive days	Included
Fine Arts (with breakage)	\$50,000	Included
Fire Department Service Charge	\$50,000	Included
Fire Extinguisher Recharge Expense	\$10,000	Included
Forgery or Alteration	\$10,000	Included
Inflation Guard - Buildings and Your Business Personal Property	4%	Included
Lock Replacement	\$10,000	Included
Money Orders and Counterfeit Paper Currency	\$10,000	Included
Money and Securities	\$25,000 In/\$25,000 Out	Included
Newly Acquired or Constructed Property		
(1) Building	\$2,000,000	Included
(2) Your Business Personal Property	\$1,000,000	Included
(3) Time Limitation	90 Days	Included
Non Owned Detached Trailers	\$50,000	Included
Ordinance or Law:		
Undamaged Portion (Coverage A)	Building Limit	Included
Debris Removal (Coverage B)	\$500,000	Included
Increased Cost of Construction (Coverage C)	\$500,000	Included
Outdoor Property - \$1,000 for any one tree, shrub or plant:	\$50,000	Included
Outdoor Signs	\$50,000	Included

(Continued On Next Page)

## COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

The coverages provided are described in the coverage forms and endorsements attached to your policy and identified in these declarations. The most we will pay for any one occurrence is the greatest of the applicable limit of insurance shown below. Higher limits shown below supersede limits for the same coverage described in the coverage forms and endorsements.

### Premier Property Plus Endorsement Schedule of Coverages Per SP 10 07

OPTIONAL COVERAGES	LIMIT OF INSURANCE	PREMIUM
Personal Effects and Property of Others	\$50,000	Included
Pollutant Clean Up and Removal	\$100,000	Included
Premises - Boundary	1,000 feet	Included
Property Off-Premises	\$100,000	Included
Tenants Glass - \$500 deductible	\$15,000	Included
Tenant Lease Obligation	\$15,000	Included
Utility Services - Direct Damage	\$100,000	Included
Utility Services - Time Element	\$250,000	Included
(only if Business Income Coverage is endorsed)		
Valuation Provision	\$5,000 or Less	Included
Valuable Papers and Records (Other Than Electronic Data)	\$250,000	Included

**Terrorism (included in total below)**  
**Premier Property Plus Endorsement Premium**

**Included**  
**\$350.00**

## COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

### COMMERCIAL GENERAL LIABILITY COVERAGE LIMITS OF INSURANCE:

Each Occurrence Limit	\$1,000,000	
Damage To Premises Rented To You Limit	\$100,000	Any One Premises
Medical Expense Limit	\$10,000	Any One Person
Personal And Advertising Injury Limit	\$1,000,000	Any One Person or Organization
General Aggregate Limit	\$2,000,000	
Products - Completed Operations Aggregate Limit	\$2,000,000	

### AUDIT PERIOD

Annual

### EMPLOYEE BENEFITS LIABILITY LIMITS OF INSURANCE

**THIS POLICY PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

Each Employee Limit	\$1,000,000
Aggregate Limit	\$2,000,000

Deductible Amount Applicable To Each Employee \$1,000

Employee Benefits Liability Coverage does not apply to "wrongful acts" which occur before the retroactive date shown here: 06/05/2018

## COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

<b>SCHEDULE OF PREMISES - All Premises You Own, Rent or Occupy</b>	<b>PREMISES 0001</b>
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<u>Location Address</u>	<u>Territory</u>
5631 Brystone Dr Houston, TX 77041	004

CLASS CODE	CLASSIFICATION DESCRIPTION
57725	Paper Goods Manufacturing - Noc

<b>PREMIUM BASIS</b>	\$3,000,000 Gross Sales
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	Per	Premises/Operations	Products/Completed Operations
<b>RATE</b>	1000	\$0.378	\$0.176
<b>ADVANCE PREMIUMS</b>		\$1,134	\$528

CLASS CODE	CLASSIFICATION DESCRIPTION
59975	Wire Goods Mfg.

<b>PREMIUM BASIS</b>	\$0 Gross Sales
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	Per	Premises/Operations	Products/Completed Operations
<b>RATE</b>	1000	\$0.453	\$0.542
<b>ADVANCE PREMIUMS</b>		\$0	\$0

## COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

**SCHEDULE OF PREMISES - All Premises You Own, Rent or Occupy** **PREMISES 0001** **Continued**

CLASS CODE	CLASSIFICATION DESCRIPTION
68707	Warehouses - Private - Not-For-Profit Only Product-Completed Operations Are Included, Subject To The General Aggregate Limit
<b>PREMIUM BASIS</b>	33,000 Square Feet

	Per	Premises/Operations	Products/Completed Operations
<b>RATE</b>	1000	\$16.046	
<b>ADVANCE PREMIUMS</b>		\$530	

CLASS CODE	CLASSIFICATION DESCRIPTION
90510	Employee Benefits Liability Coverage

PREMIUM BASIS	PER	RATE	ADVANCE PREMIUM
25 Employees	1	\$0.319	\$8
Additional For Coverage Minimum Premium			\$182

**SCHEDULE OF PREMISES - All Premises You Own, Rent or Occupy** **PREMISES 0002**

<u>Location Address</u>	<u>Territory</u>
Starr County Industrial Park Rio Grande City, TX 78582	004

## COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

**SCHEDULE OF PREMISES - All Premises You Own, Rent or Occupy**      **PREMISES 0002**      **Continued**

CLASS CODE	CLASSIFICATION DESCRIPTION
49451	Vacant Land - Other Than Not-For-Profit Product-Completed Operations Are Included, Subject To The General Aggregate Limit
<b>PREMIUM BASIS</b>	4 Acres

	Per	Premises/Operations	Products/Completed Operations
<b>RATE</b>	1	\$3.090	
<b>ADVANCE PREMIUMS</b>		\$12	

<b>LOCATION RATING CODE</b>	9999	<b>TERRITORY</b>	004
<b>CLASS CODE</b>	<b>CLASSIFICATION DESCRIPTION</b>		
84000	Liability Plus Endorsement (See SL 1206 Attached)		
<b>PREMIUM BASIS</b>	% Of GL Premium	<b>PREMIUM</b>	\$183

<b>LOCATION RATING CODE</b>	9999	<b>TERRITORY</b>	004
<b>CLASS CODE</b>	<b>CLASSIFICATION DESCRIPTION</b>		
84002	Premier Liability Plus Endorsement (See SL 4030 Attached)		
<b>PREMIUM BASIS</b>	% Of GL Premium	<b>PREMIUM</b>	\$548

**COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**

**SCHEDULE OF PREMISES**

**Continued**

<b>CLASS CODE</b>	<b>CLASSIFICATION DESCRIPTION</b>
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25121	Data Compromise Plus Coverage \$50,000
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<b>PREMIUM BASIS</b>	<b>PER</b>	<b>RATE</b>	<b>ADVANCE PREMIUM</b>
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1 Units	1	\$243.902	\$244
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**PREMIUM**

Terrorism (included in total below)

**\$23**

Total Advance Premium (Subject To Audit):

**\$3,392**

## FORMS AND ENDORSEMENTS

### APPLICABLE TO THE COMMERCIAL GENERAL LIABILITY COVERAGE PART

NEW	FORM OR ENDORSEMENT AND EDITION DATE	ENDORSEMENT TITLE (Only the endorsement titles are shown below, please review the form for a complete description of coverage.)
*	IL 00 21 09 08	Nuclear Energy Exclusion
*	CG 00 01 04 13	Commercial General Liability Coverage Form
*	SL 20 02 01 06	Asbestos Exclusion
*	SL 20 04 01 06	Exclusion - Lead Liability
*	CG 24 26 04 13	Amendment of Insured Contract Definition
*	SL 20 51 12 11	Amendment of Contractual Liability Exclusion
*	CG 21 06 05 14	Exclusion - Access or Disclosure of Confidential or Personal Information And Data-related Liability - With Limited Bodily Injury Exception Endorsement
*	IL 00 17 11 98	Common Policy Conditions
*	CG 21 70 01 15	Cap on Losses From Certified Acts of Terrorism
*	PN 00 83 01 15	Notice of Terrorism Insurance Coverage
*	CG 21 76 01 15	Exclusion of Punitive Damages Related to a Certified Act of Terrorism
*	IL 09 85 01 15	Disclosure Pursuant to Terrorism Risk Insurance Act
*	IL 02 75 11 13	Texas Changes - Cancellation and Nonrenewal Provisions
*	CG 01 03 06 06	Texas Changes
*	IL 01 68 03 12	Texas Changes - Duties
*	CG 21 67 12 04	Fungi or Bacteria Exclusion
*	CG 26 39 04 99	Texas Changes - Employment - Related Practices Exclusion
*	CG 31 07 02 00	Texas Changes - Conditions Requiring Notice
*	CG 04 35 12 07	Employee Benefits Liability Coverage
*	SL 12 06 12 15	Texas - Liability Plus Endorsement
*	SL 40 30 12 15	Texas - Premier Liability Plus Endorsement
*	SL 31 03 05 16	Data Compromise Plus Endorsement

\*Indicates a new form has been added or a replacement form has been substituted for one of an earlier edition. Please retain all forms.

## COMMERCIAL UMBRELLA POLICY DECLARATIONS

NAMED INSURED AND MAILING ADDRESS: First Named Insured Is Specified To Be: <b>COLE &amp; ASHCROFT, LP</b> <b>DBA SHUTTERS PLUS;</b> <b>5631 BRYSTONE DR</b> <b>HOUSTON, TX 77041</b>		AGENT NAME AND ADDRESS: <b>MARSH &amp; MCLENNAN AGENCY LLC</b> <b>301 COMMERCE ST STE 2201</b> <b>FORT WORTH, TX 76102</b>	
POLICY PERIOD: <b>From: 06/05/2018 To: 06/05/2019</b>		AGENT TELEPHONE NUMBER: <b>(817) 877-3660</b>	AGT. NO. <b>0003874</b>
COVERAGE PROVIDED BY: <b>State Automobile Mutual Insurance Company</b>		A STATE AUTO INSURED SINCE: <b>2018</b>	
AUDITABLE POLICY: <b>No</b>	POLICY STATUS: <b>New Business</b>	AFTER-HOURS CLAIMS SERVICE: <b>1-877-SA-CLAIM or www.stateauto.com</b>	

The coverage and these declarations are effective 12:01 AM Standard Time on **06/05/2018** at the above mailing address.

BUSINESS ENTITY TYPE: <b>Corporation</b>	BILLING ACCOUNT NUMBER: <b>CL00076369</b> <b>Account Bill Insured 11-Pay</b>	BILLING QUESTIONS? <b>Call 800-444-9950 x5118</b>
BUSINESS DESCRIPTION: <b>Mfg/Dist Party Supplies</b>		

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

### PREMIUM SUMMARY BY COVERAGE PARTS AND POLICIES

This policy consists of the following coverage parts or policies for which a premium is indicated. This premium may be subject to adjustment.

SELF-CONTAINED POLICIES	PREMIUMS
Commercial Umbrella Policy	<b>\$2,200.00</b>
Terrorism (included in above amount)	<b>Included</b>

These declarations together with the Common Policy Conditions and coverage form(s) and any endorsement(s) identified on these declarations and attached to your policy complete the above numbered policy.

Countersigned \_\_\_\_\_ By \_\_\_\_\_  
(Date) (Authorized Representative)

**FORMS AND ENDORSEMENTS**  
**APPLICABLE TO ALL COMMERCIAL UMBRELLA POLICY**

NEW	FORM OR ENDORSEMENT AND EDITION DATE	ENDORSEMENT TITLE (Only the endorsement titles are shown below, please review the form for a complete description of coverage.)
*	CXS 00 01 01 13	Commercial Umbrella Coverage Form
*	SI 10 08 01 16	Common Policy Jacket
*	CXS 00 42 11 13	Texas Changes
*	CXS 23 00 05 14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-related Liab - Lmt'd Bodily Except Not Incl
*	CXS 21 70 01 15	Cap on Losses From Certified Acts of Terrorism
*	CXS 21 76 01 15	Exclusion of Punitive Damages Related to a Certified Act of Terrorism
*	PN 00 83 01 15	Notice of Terrorism Insurance Coverage
*	IL 09 85 01 15	Disclosure Pursuant to Terrorism Risk Insurance Act
*	CXS 30 03 01 13	Employee Benefits Coverage
*	CXS 21 67 12 04	Fungi or Bacteria Exclusion

\*Indicates a new form has been added or a replacement form has been substituted for one of an earlier edition. Please retain all forms.

## COMMERCIAL UMBRELLA COVERAGE DECLARATIONS

### LIMIT OF INSURANCE:

Policy Aggregate Limit	\$4,000,000	
Self-Insured Retention	\$0	Each Incident or Offense not Covered by Underlying Insurance

### PREMIUM

\* Total Advance Premium (Subject To Audit): \$2,200  
Includes Terrorism Coverage Premium

### SCHEDULE OF UNDERLYING INSURANCE

#### Auto Liability

Underlying Insurer: State Automobile Mutual Insurance Company

Policy Number: BAP 2471562 00

Policy Period: From: 06/05/2018 To: 06/05/2019

#### Limits of Liability

Each Accident	\$1,000,000
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#### General Liability

Underlying Insurer: State Automobile Mutual Insurance Company

Policy Number: PBP 2832159 00

Policy Period: From: 06/05/2018 To: 06/05/2019

#### Limits of Liability

Each Occurrence	\$1,000,000
Personal and Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000

## COMMERCIAL UMBRELLA COVERAGE DECLARATIONS

<b>SCHEDULE OF UNDERLYING INSURANCE</b>
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**Continued**

### Employers Liability

Underlying Insurer: TEXAS MUTUAL

Policy Number: 000117124500

Policy Period: From: 06/05/2018 To: 06/05/2019

#### Limits of Liability

Bodily Injury Each Accident	\$1,000,000
Bodily Injury By Disease Policy Limit	\$1,000,000
Bodily Injury By Disease Each Employee	\$1,000,000

## COMMON POLICY CONDITIONS

With the exception of any included Commercial Umbrella, Inland Marine or Automobile Policy or coverage parts, which contain their own Common Policy Conditions, all coverage parts included in your Preferred Business Policy, Special Account Policy, or Series One Contractor Policy are subject to the following common conditions. Subject to the laws of your state, some conditions may be changed by the attachment of a state amendatory endorsement.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **INSTALLMENT PAYMENTS**

This endorsement modifies insurance provided under the following:

### **COMMON POLICY CONDITIONS**

The policy is subject to the following condition:

If you have elected to pay the premium on this policy in installments and you fail to pay an installment when due, we will assume you no longer want the insurance. In such event we will issue you a notice of cancellation as set forth under the Common Policy Conditions. Such notice will specify the date and time of cancellation. If we receive an installment payment after the date of cancellation, we may, subject to the laws of your state, reinstate your policy, issue you a new policy with a new policy period or return the late payment to you.

**SI 11 00 01 04 Page 1 of 1**

\*// \*SI 11 00 01 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

### **SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Windstorm Or Hail Deductible Percentage - Enter 1%, 2% Or 5%</b>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) Of Insurance are shown in the Declarations.

### **WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS**

#### **A. Calculation Of The Deductible - All Policies**

1. A Deductible is calculated separately for, and applies separately to:
  - a. Each building that sustains loss or damage;
  - b. The personal property at each building at which there is loss or damage to personal property; and
  - c. Personal property in the open.
If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.
2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired Or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Schedule for any described premises.

**B. Calculation Of The Deductible - Specific Insurance Other than Builders' Risk**

**1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

**2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

**C. Calculation Of The Deductible - Blanket Insurance Other Than Builders' Risk**

**1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

**2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

**D. Calculation Of The Deductible - Builders' Risk Insurance**

**1. Builders' Risk Other Than Reporting Form**

In determining the amount, if any, that we will pay for property that has sustained loss

or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

**2. Builders' Risk Reporting Form**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

**Examples - Application Of Deductible**

**Example 1 - Specific Insurance (B.1.)**

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

The actual Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1):  $\$70,000 \div \$80,000 = .875$

Step (2):  $\$60,000 \times .875 = \$52,500$

Step (3):  $\$70,000 \times 1\% = \$700$

Step (4):  $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

**Example 2 - Specific Insurance (B.1.)**

The amounts of loss to the damaged property are \$60,000 (Building) and \$40,000 (Personal Property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the Coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Deductible is 2%.

**Building**

Step (1):  $\$80,000 \times 2\% = \$1,600$

Step (2):  $\$60,000 - \$1,600 = \$58,400$

**Personal Property**

Step (1):  $\$64,000 \times 2\% = \$1,280$

Step (2):  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

**Example 3 - Blanket Insurance (C.1.)**

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The actual Blanket Limit Of Insurance covering Buildings 1, 2, and 3, shown in the Declarations, is \$1,800,000 (therefore, no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$20,000 (Building 2).

The Deductible is 2%.

**Building 1**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$40,000 - \$10,000 = \$30,000$

**Building 2**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to application of the Deductible is \$20,000.

**Example 4 - Blanket Insurance (C.1.)**

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Personal Property at Building 1 (\$250,000) and Personal Property at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The actual Blanket Limit Of Insurance covering Buildings 1 and 2 and Personal Property at Buildings 1 and 2, shown in the Declarations, is \$1,350,000. Therefore, there is no Coinsurance penalty.

Building 1 and Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Personal Property).

The Deductible is 5%.

**Building**

Step (1):  $\$500,000 \times 5\% = \$25,000$

Step (2):  $\$95,000 - \$25,000 = \$70,000$

**Personal Property**

Step (1):  $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BUSINESS INCOME CHANGES -  
BEGINNING OF THE PERIOD OF RESTORATION**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

**SCHEDULE**

Select Either A. Or B.

A. ☐ 72-Hour Time Period Is Replaced By 24 Hours

B. ☐ 72-Hour Time Period Is Eliminated

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** If the Schedule indicates that the 72-hour time period is replaced by 24 hours, then:

1. The 72-hour time period in the definition of "period of restoration" is replaced by 24 hours. Therefore, the period of restoration for Business Income Coverage begins 24 hours after the time of direct physical loss or damage, subject to all other provisions of the definition of "period of restoration"; and
2. The 72-hour time period in the Civil Authority Additional Coverage is replaced by 24 hours. Therefore, coverage under the Additional Coverage - Civil Authority begins 24 hours after the time of action of civil authority, subject to all other provisions of that Additional Coverage.

**B.** If the Schedule indicates that the 72-hour time period is eliminated, then:

1. The 72-hour time period in the definition of "period of restoration" is deleted. Therefore, the period of restoration for Business Income Coverage begins at the time of direct physical loss or damage, subject to all other provisions of the definition of "period of restoration"; and
2. The 72-hour time period in the Civil Authority Additional Coverage is deleted. Therefore, coverage under the Additional Coverage - Civil Authority begins at the time of action of civil authority, subject to all other provisions of that Additional Coverage.

## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion

that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

### I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. Definitions**.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;

- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

**c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

#### 2. Property Not Covered

Covered Property does not include:

- a.** Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b.** Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c.** Automobiles held for sale;

- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and

records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
  - (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

- (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
- (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
- (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
- (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
- (e) Remove deposits of mud or earth from the grounds of the described premises;
- (f) Extract "pollutants" from land or water; or
- (g) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
- (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

#### (5) Examples

The following examples assume that there is no Coinsurance penalty.

##### Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

##### Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by

or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

(1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.

(3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building was undamaged; and
- (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth,

- proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.
- The amount payable under this Additional Coverage is additional insurance.
- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
- (i) Until the property is actually repaired or replaced at the same or another premises; and
- (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to

the "specified causes of loss" as defined in that form and Collapse as set forth in that form.

- (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

#### (2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.

- (3) If the Causes Of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;

- (4) Riot or Civil Commotion; or  
(5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;  
(b) The trailer is in your care, custody or control at the premises described in the Declarations; and  
(c) You have a contractual responsibility to pay for loss or damage to the trailer.

- (2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;  
(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property

while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

- (3) Coverage under this Extension:

- (a) Will end 90 days after the business personal property has been placed in the storage unit;  
(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.

- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### **D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### **Example 1**

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Building 1:	\$ 60,000
Limit of Insurance - Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100  
 - 250

\$ 59,850 Loss Payable - Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

#### **Example 2**

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable - Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable - Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### **E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### **1. Abandonment**

There can be no abandonment of any property to us.

##### **2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### **3. Duties In The Event Of Loss Or Damage**

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage

resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### **4. Loss Payment**

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

#### **5. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the

property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

### a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety-glazing material if required by law.

e. Tenants' Improvements and Betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

## F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

#### Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000  
The Coinsurance percentage for it is: 80%  
The Limit of Insurance for it is: \$ 100,000  
The Deductible is: \$ 250  
The amount of loss is: \$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

#### Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000  
The Coinsurance percentage for it is: 80%  
The Limit of Insurance for it is: \$ 200,000  
The Deductible is: \$ 250  
The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	\$ 75,000
	<u>\$ 250,000</u>

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000  
The Deductible is: \$ 1,000

The amount of loss is:  
Building at Location 2: \$ 30,000  
Personal Property at Location 2: \$ 20,000  
\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

### 2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$ 100,000  
The annual percentage increase is: 8%  
The number of days since the beginning of the policy year (or last policy change) is: 146  
The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

## 3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

(4) "Stock", unless the Including "Stock" option is shown in the Declarations. Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
- (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.
- With respect to tenants' improvements and betterments, the following also apply:
- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
  - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
- (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.
- If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

#### **4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:  
If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### **H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF  
TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

**A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

#### Terrorism Premium (Certified Acts) \$

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

Additional information, if any, concerning the terrorism premium:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

## CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

#### d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings; or

- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.
 But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.
- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for

the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.  
This exclusion:
  - (1) Applies whether or not an act occurs during your normal hours of operation;
  - (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
  - (1) An abrupt falling down or caving in;

- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The "specified causes of loss";
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
  - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;
- of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or

cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

**c. Legal Liability Coverage Form**

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph **B.1.a.** Ordinance Or Law;
- (b) Paragraph **B.1.c.** Governmental Action;
- (c) Paragraph **B.1.d.** Nuclear Hazard;
- (d) Paragraph **B.1.e.** Utility Services; and
- (e) Paragraph **B.1.f.** War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**5. Additional Exclusion**

The following provisions apply only to the specified property:

**Loss Or Damage To Products**

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**C. Limitations**

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
  - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - (2) Changes in or extremes of temperature;
  - (3) Disease;
  - (4) Frost or hail; or
  - (5) Rain, snow, ice or sleet.
- 2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.  
However, this limitation does not apply:
    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
    - (2) To Business Income Coverage or to Extra Expense Coverage.
- 3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

- 4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage - Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

- 1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- 2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if

- the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
- 3. This Additional Coverage - Collapse** does **not** apply to:
- a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 4. With respect to the following property:**
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:
- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
  - (2) The property is Covered Property under this Coverage Form.
- 5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:**
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.
- The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.
- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.**
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.**
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.****
- E. Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**
- 1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:**
- a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:**
- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is

completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property. If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or

expense sustained in a period of not more than 30 days. The days need not be consecutive.

- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## **F. Additional Coverage Extensions**

### **1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### **2. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance

escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

## G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

### c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EQUIPMENT AND TECHNOLOGY BREAKDOWN COVERAGE  
(INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS-- BASIC FORM  
CAUSES OF LOSS-- BROAD FORM  
CAUSES OF LOSS-- SPECIAL FORM

- A. The following is added as an Additional Coverage to the Causes of Loss - Basic Form, Broad Form or Special Form.

**Additional Coverage-- Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an "accident" or "electronic circuitry impairment", there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident" or "electronic circuitry impairment". We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".
2. Unless otherwise shown in a "schedule", the following coverages also apply to the direct result of an "accident" or "electronic circuitry impairment". However, with respect to coverage 2.i. Service Interruption below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an "accident" and will not apply to the direct result of an "electronic circuitry impairment". These coverages do not provide additional amounts of insurance.
  - a. **Business Income and Extra Expense**
    - (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a "schedule", then with respect to this endorsement only, the "period of restoration" will begin immediately after the "accident" or "electronic circuitry impairment", and the deductible shown in the "schedule" will apply.
    - (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a "schedule".
  - b. **Data Restoration**
    - (1) We will pay for your reasonable and necessary cost to research, replace and restore lost "data".
    - (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000 unless otherwise shown in a "schedule".
  - c. **Expediting Expenses**
    - (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
      - (a) Make temporary repairs; and
      - (b) Expedite permanent repairs or permanent replacement.
    - (2) The most we will pay for loss or expense under this coverage is \$50,000 unless otherwise shown in a "schedule".
  - d. **"Fungus", Wet Rot, Dry Rot And Bacteria**
    - (1) No "fungus", wet rot, dry rot or bacteria coverage is provided unless a limit is shown in a "schedule". If coverage applies, we will pay your additional cost to repair or replace Covered Property because of contamination by "fungus", wet rot, dry rot or bacteria. This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is "perishable goods" to the extent that such spoilage is covered under Spoilage coverage.
    - (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus", wet rot, dry rot or bacteria been involved.

- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus", wet rot, dry rot or bacteria.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is the amount shown in a "schedule" even if the "fungus", wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

**e. Green**

- (1) With respect to Covered Property, we will pay your additional cost to:
  - (a) Repair damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program", if repair is the least expensive option;
  - (b) Replace damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program", if replacement is the least expensive option;
  - (c) Dispose of damaged property or equipment, if practicable, through a recycling process; and
  - (d) Flush out reconstructed space with up to 100% outside air using new filtration media.
- (2) With respect to any building that is Covered Property and was, at the time of the "accident" or "electronic circuitry impairment", certified by a "recognized environmental standards program", we will pay your additional cost:
  - (a) To prevent a lapse of such certification;
  - (b) To reinstate the certification or replace it with an equivalent certification;
  - (c) For an engineer authorized by a "recognized environmental standards program" to oversee the repair or replacement of the damaged Covered Property; and
  - (d) For a Professional Engineer to commission or recommission your damaged mechanical, electrical, or electronic building systems.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.
- (4) This coverage is subject to the following provisions:
  - (a) This coverage applies in addition to any coverage that may apply under the Environmental, Safety and Efficiency Improvements condition of this endorsement, or any other applicable coverage.
  - (b) This coverage only applies to Covered Property that must be repaired or replaced as a direct result of an "accident" or "electronic circuitry impairment".
  - (c) This coverage does not apply to any Covered Property to which Actual Cash Value applies.
- (5) No Green coverage is provided unless a limit is shown in a "schedule". The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a "schedule".

**f. Hazardous Substances**

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.j.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000 unless otherwise shown in a "schedule".

**g. Off Premises Equipment Breakdown**

- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under (1) above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in (2) above is the limit for Property Off-premises coverage, shown in your policy, unless otherwise shown in a "schedule".

**h. Public Relations**

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
  - (a) The media;
  - (b) The public; or
  - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay for loss or expense under this coverage is \$5,000 unless otherwise shown in a "schedule".

**i. Service Interruption**

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, "cloud computing services", wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider of "cloud computing services".
- (4) Unless otherwise shown in a "schedule", any insurance provided for Business Income or Data Restoration will not apply under this Service Interruption coverage unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense, Data Restoration or Spoilage, except that if a limit is shown in a "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

**j. Spoilage**

- (1) We will pay for:
  - (a) Physical damage to "perishable goods" due to spoilage;
  - (b) Physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
  - (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident" or "electronic circuitry impairment", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.
- (3) The most we will pay for loss, damage or expense under this coverage is \$50,000 unless otherwise shown in a "schedule".

### 3. EXCLUSIONS

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

**a. The following exclusions are modified:**

- (1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion B.2.:  
Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" or "electronic circuitry impairment" results, we will pay for the resulting loss, damage or expense caused by that "accident" or "electronic circuitry impairment".
- (2) If the Causes of Loss--Special Form applies, with respect to this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an "accident" or "electronic circuitry impairment", we will pay for the loss, damage or expense caused by that "accident" or "electronic circuitry impairment".

**b. The following exclusions are added:**

- (1) We will not pay for loss, damage or expense caused by or resulting from a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.
  - (2) Coverage under this endorsement does not apply to an "accident" or "electronic circuitry impairment" caused by or resulting from:
    - (a) Fire (including fire resulting from an "accident" or "electronic circuitry impairment"), or water or other means used to extinguish a fire;
    - (b) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
    - (c) Any other explosion, except as specifically covered under this endorsement;
    - (d) Vandalism;
    - (e) Lightning; smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
    - (f) Windstorm or hail. However, this exclusion does not apply when:
      - (i) "Covered equipment" located within a building or structure suffers an "accident" or "electronic circuitry impairment" that results from wind-blown rain, snow, sand or dust; and
      - (ii) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered;
    - (g) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
    - (h) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies;
    - (i) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action.
  - (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
  - (4) Except as specifically provided under A.2.d. "Fungus", Wet Rot, Dry Rot And Bacteria coverage we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment": Any "fungus", wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "fungus", wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "fungus", wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "perishable goods", to the extent that such spoilage is covered under Spoilage coverage.
  - (5) We will not pay for any loss or damage to animals.
- c. Exclusions b.(2)(e) and b.(2)(f) above shall not apply if:**
- (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;

- (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
- (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.
- d. Any cause of loss set forth in exclusion b.(2)(f) above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.

#### 4. DEFINITIONS

The following definitions are added with respect to this endorsement only:

a. "Accident"

- (1) "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (b) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (c) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (d) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (e) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- (2) None of the following is an "accident":

- (a) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data", loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or
- (b) Misalignment, mis-calibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.  
However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

b. "Boilers and vessels" means:

- (1) Any boiler, including attached steam, condensate and feedwater piping; and
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a "schedule".

- c. "Cloud computing services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

d. "Covered equipment"

- (1) "Covered equipment" means, unless otherwise specified in a "schedule", Covered Property:

- (a) That generates, transmits or utilizes energy; or
- (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- (2) None of the following is "covered equipment":

- (a) Structure, foundation, cabinet or compartment;
- (b) Insulating or refractory material;
- (c) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "Vehicle" or any equipment mounted on a "vehicle";
- (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g) Dragline, excavation or construction equipment; or
- (h) Equipment manufactured by you for sale.

- e. "Data" means information or instructions stored in digital code capable of being processed by machinery.

- f. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
- g. "Electronic circuitry impairment"
  - (1) "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in (2), (3) and (4) below.
  - (2) We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
  - (3) The "covered equipment" must be owned or leased by you, or operated under your control.
  - (4) None of the following is an "electronic circuitry impairment":
    - (a) Any condition that can be reasonably remedied by:
      - i. Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
      - ii. Rebooting, reloading or updating software or firmware; or
      - iii. Providing necessary power or supply.
    - (b) Any condition caused by or related to:
      - i. Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or
      - ii. Insufficient size, capability or capacity of the "covered equipment".
    - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
- h. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- i. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
- j. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
- k. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- l. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.  
This term does not appear elsewhere in this endorsement, but may appear in a "schedule".
- m. "Recognized environmental standards program" means one of the following:
  - (1) The United States Environmental Protection Agency ENERGY STAR<sup>®</sup> program;
  - (2) The U.S. Green Building Council LEED<sup>®</sup> program;
  - (3) The Green Building Initiative GREEN GLOBES<sup>®</sup> program; or
  - (4) Any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.
- n. "Schedule" means the Equipment Breakdown Coverage Schedule.
- o. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.  
However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

- B. The Building and Personal Property Coverage Form** is modified as follows.  
The definitions stated above also apply to section B. of this endorsement.

**1. DEDUCTIBLE**

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.  
Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

**a. Deductibles for Each Coverage**

- (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

**b. Direct and Indirect Coverages**

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- (2) Unless more specifically indicated in the "schedule":
  - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

**c. Application of Deductibles**

**(1) Dollar Deductibles**

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

**(2) Time Deductible**

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

**(3) Multiple of Average Daily Value (ADV)**

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:  
The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

**(4) Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**2. CONDITIONS**

- a.** The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

**(1) Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

(a) Your last known address; or

(b) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**(2) Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**(3) Coinsurance**

If a coinsurance percentage is shown in a "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

- b. As respects this endorsement only, the **Valuation Condition** in the **Building and Personal Property Coverage Form** is deleted and replaced with the following:

**Valuation**

We will determine the value of Covered Property as follows:

- (1) Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:

(a) The cost to repair the damaged property;

(b) The cost to replace the damaged property on the same site; or

(c) The amount you actually spend that is necessary to repair or replace the damaged property.

- (2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.

- (3) Except as described in (4) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

- (4) Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

- (5) The following property will be valued on an Actual Cash Value basis:

(a) Any property that does not currently serve a useful or necessary function for you;

(b) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and

(c) Any Covered Property for which Actual Cash Value coverage is specified in a "schedule", Actual Cash Value includes deductions for depreciation.

- (6) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

(a) The property was manufactured by you;

- (b) The sales price of the property is less than the replacement cost of the property; or
- (c) You are unable to replace the property before its anticipated sale.
- (7) Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:
  - (a) For mass-produced and commercially available software, at the replacement cost.
  - (b) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a "schedule". Coverage provided under this endorsement does not provide an additional amount of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREMIER PROPERTY PLUS ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CAUSES OF LOSS - SPECIAL FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

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COVERAGE ENHANCEMENTS	LIMIT OF INSURANCE
BUILDING AND PERSONAL PROPERTY COVERAGE FORM CHANGES	
Amended Description - Fire Extinguishing Equipment	Included
Amended Description - Premises	"Within 1,000 feet"
Amended Coverage - Signs Not Attached to Buildings	Removed from "Property Not Covered"
Debris Removal	\$250,000
Fire Department Service Charge	\$50,000
Pollutant Clean Up And Removal	\$100,000
Electronic Data	\$25,000
Newly Acquired or Constructed Property - Building	\$2,000,000 - Reporting Requirement Extended to 90 Days
Newly Acquired Property - Business Personal Property	\$1,000,000 - Reporting Requirement Extended to 90 Days
Personal Effects and Property of Others	\$50,000
Valuable Papers and Records	\$250,000
Property Off Premises	\$100,000
Non-Owned Detached Trailers	\$50,000
Amended Valuation for Small Losses	Replacement Cost for losses up to \$5,000
Arson & Theft Information Reward	\$50,000
Brands and Labels	Included
Business Personal Property Limit - Seasonal Automatic Increase	25%
Outdoor Signs	\$50,000
Fire Extinguisher Recharge	\$10,000
Inflation Guard	4%
Tenant Lease Obligation - Damage to Leased Real Property	\$15,000
Outdoor Property - Including Broadened Causes of Loss	\$50,000 but not more than \$2,500 for any one tree, shrub or plant
Accounts Receivable	\$250,000
Back Up of Sewers or Drains	\$500,000
Business Income and Extra Expense	\$250,000
Business Income from Dependent Properties	\$250,000
Claim Data Expense	\$10,000
Consequential Damage	\$50,000
Credit Card Slips	\$10,000
Difference In Value - Leased Equipment	Included
Employee Theft	\$25,000
Fine Arts	\$50,000
Forgery or Alteration	\$10,000
Lock Replacement	\$10,000
Money and Securities	\$25,000 Inside & Outside the Premises



Money Orders and Counterfeit Money.	\$10,000
Ordinance or Law	
Coverage A	Included in Building Limit
Coverage B	\$500,000
Coverage C	\$500,000
Tenant Glass	\$15,000
Computer Coverage	\$50,000
Additional Covered Property	Included
* Bridges, roadways, walks, patios or other paved surfaces	
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* Foundations, structures, machinery or boilers below ground	
* Bulkheads, pilings, piers, wharves or docks	
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Utility Services - Direct Damage	\$100,000
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BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM OR BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM	
Definition of premises amended to "within 1,000 feet"	
Utility Services - Time Element	\$250,000

## COVERAGE DESCRIPTION

## A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as shown:

1. Paragraph A.1.a.(4)(a) is revised to read, "Fire detection and extinguishing equipment".
2. The provision relating to "within 100 feet of the described premises" contained in sections A.1.a.(5)(b), A.1.b., A.1.c.(2), and the first paragraph of A.5. is revised to read "within 1,000 feet of the described premises."
3. The following Additional Coverage, Coverage Extensions, Limits of Insurance, Loss Conditions and Optional Coverages in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are amended as shown:

Section	Coverage Description	The most we will pay provision is increased to
A.4.a.(4)	Limits of Insurance - Debris Removal	\$250,000
A.4.c.	Fire Department Service Charge	\$ 50,000
A.4.d.	Pollutant Clean Up And Removal	\$100,000
A.4.f.(4)	Electronic Data	\$25,000
A.5.a.(1)	Newly Acquired or Constructed Property - Building	\$2,000,000
A.5.a.(2)	Newly Acquired or Constructed Property - Your Business Personal Property	\$1,000,000
A.5.a.(3)(b)	"30 days" is replaced by "90 days"	
A.5.b.	Personal Effects and Property of Others	\$50,000
A.5.c. (4)	Valuable Papers and Records (Other Than Electronic Data)	\$250,000
A.5.d.	Property Off Premises	
	This paragraph is deleted.	
A.5.d.(2)	This limit is increased to:	
A.5.d.(3)		\$100,000
A.5.e.	Paragraph A.5.e. is amended; for coverage on Outdoor Property (A.5.e.) see the referenced paragraph in this endorsement.	
A.5.f.	Non-owned Detached Trailers	\$50,000
C.	Limits of Insurance - Outdoor Signs	\$50,000
E.7.b.	Valuation - This provision is changed to read "\$5,000 or less"	

4. The following coverages are added to Additional Coverages under section A.4.:
  - g. **Arson and Theft Information.** We will pay the expenses to provide a reward for information leading to:
    - (1) An arson conviction in connection with a covered fire; or
    - (2) A conviction in connection with theft of Your Business Personal Property.
 Costs incurred in advertising the reward are included. The most we will pay under this provision is \$50,000. This limit applies per occurrence regardless of the number of persons providing information. No deductible applies to this additional coverage.
  - h. **Brands and Labels.** If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:
    - (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
    - (2) Remove the brands and labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
 We will pay reasonable costs you incur to perform the activity prescribed in h.(1) or h.(2) above. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.
  - i. **Business Personal Property Limit - Seasonal Automatic Increase.** The limit of insurance for Your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the limit of insurance shown for Your Business Personal Property in the declarations is at least 100% of your average monthly values during the lesser of:
    - (1) The 12 months immediately preceding the date the loss or damage occurs; or
    - (2) The period of time you have been in business as of the date the loss or damage occurs.
  - j. **Fire Extinguisher Recharge.** We will pay for your expense to recharge portable fire extinguishers used to fight a fire at the premises described in the Declarations or at immediately adjacent premises that expose your property to loss. The most we will pay under this provision is \$10,000. No deductible applies to this additional coverage.
  - k. **Inflation Guard.** The Limits of Insurance for Buildings and Your Business Personal Property under the policy to which this endorsement is attached will automatically increase by an annual percentage of 4%. The amount of increase will be:
    - (1) The Limit of insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
    - (2) 4%, times
    - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance divided by 365.
  - l. **Tenant Lease Obligation - Damage to Leased Real Property.** If you are a tenant, we will pay up to \$15,000 for each location in any one occurrence of covered physical loss or damage to those particular parts of real property leased to you, other than exterior building glass, which you are obligated to insure under a written lease agreement. This is an additional amount of insurance subject to the applicable deductible. For the purposes of this Additional Coverage, the Additional Condition - Coinsurance does not apply.
5. **The following changes are made or coverages are added to the Coverage Extensions under Section A.5.**
  - e. **Outdoor Property.** You may extend the insurance provided by this Coverage form to apply to damage to your outdoor fences, radio and television antennas, satellite dishes, trees, shrubs and plants, including debris removal expense, resulting from any of the "specified causes of loss" as defined in the Causes of Loss - Special Form. The most we will pay for loss or damage under this Additional Coverage is \$50,000, but not more than \$2,500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence. This extension does not apply to trees, shrubs or plants which are "stock" or are part of a vegetated roof.
  - h. **Accounts Receivable.** You may extend the insurance that applies to Your Business Personal Property to apply to accounts receivable. We will pay:
    - (1) All amounts due you from your customers that you are unable to collect;
    - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to reestablish the records of your accounts receivable that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable. This insurance applies to accounts receivable while:
  - (a) On premises scheduled in the Declarations of this policy;
  - (b) While being conveyed outside the premises; or
  - (c) While temporarily at other premises.

We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions; or
  - (2) Faulty installation or maintenance of data processing equipment or component parts,
- But we will pay for direct loss or damage caused by lightning.

The most we will pay under this Extension is \$250,000 at each described premises.

**i. Back Up of Sewers or Drains.**

**(1) Direct damage,**

You may extend the insurance that applies to property covered by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to loss or damage to your property caused by water that:

- (a) Backs up through sewers or drains; or
- (b) Enters into and overflows from within a:
  - (i) Sump pump;
  - (ii) sump pump well; or

Other type system designed to remove subsurface water from the foundation area.

**(2) Indirect damage,**

In addition, we will pay the actual Loss of Business Income or Extra Expense you sustain due to the necessary suspension of your "operations" caused by or resulting from water that backs up through sewers or drains, or water that enters into and overflows from within a:

- (a) Sump pump;
- (b) Sump pump well; or

Other type system designed to remove subsurface water from the foundation area.

Coverage for Loss of Business Income and Extra Expense begins at the time of direct loss or damage caused by or resulting from back up of sewers or drains covered under this endorsement. We will only pay for Loss of Business Income that occurs within 14 calendar days after the date of such direct loss or damage. For the purposes of this coverage extension, the definition of Loss of Business Income and Extra Expense shall be the same as that included in item j. below.

The most we will pay for such loss or damage in any one occurrence at all locations shown in the Declarations is \$500,000. The deductible for this coverage extension is \$5,000 or the All Perils Deductible applicable to Building coverage shown on the Declarations, whichever is greater. This deductible does not apply to Loss of Business Income and Extra Expense.

**j. Business Income and Extra Expense.** We will pay for the actual loss of Business Income, including "rental value" you sustain and Extra Expense you incur due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at the premises described in the Declarations. The loss or damage must be caused by or result from a Covered cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located. If you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- (1) The most we will pay for loss or damage under this Extension in one occurrence is \$250,000.

**(2) Business Income means the:**

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (b) Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

- (3) Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;

- (b) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have payable under this coverage.

- (4) "Operations" means:

- (a) Your business activities occurring at the described premises; and

- (b) The tenantability of the described premises.

- (5) "Rental value" means Business Income that consists of:

- (a) Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

- (b) Continuing normal operating expenses incurred in connection with that premises, including:

- (i) Payroll; and

- (ii) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

- (6) "Period of restoration" means the period of time that:

- (a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

- (b) Ends on the earlier of:

- (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (ii) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (i) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

- (7) "Suspension" means:

- (a) The slowdown or cessation of your business activities; or

- (b) That a part of all of the described premises is rendered non-tenantable.

- k. **Business Income from Dependent Properties.** We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to "dependent property" at premises not described in the Declarations caused by or resulting from a Covered Cause of Loss. However, coverage under this extension does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this extension will not continue once the other property is repaired, rebuilt, or replaced. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

The following Definitions also apply to this Coverage Extension:

- (1) "Dependent property" means property owned or operated by others whom you depend on to:

- (a) Deliver materials or services to you or to others for your account. But any property which delivers any of the following services is not a "dependent property" with respect to such services:

- (i) Water supply services;

- (ii) Power supply services; or

- (iii) Communication supply services, including services relating to internet access or access to any electronic network.

- (b) Accept your products or services

- (c) Manufacture products for delivery to your customers under contract of sale; or

- (d) Attract customers to your business.

- (2) "Period of Restoration", with respect to "dependent property", means the period of time that:
- (a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
  - (b) Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration of this policy will not cut short the "period of restoration".

We will reduce the amount of your Business Income from Dependent Properties loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

The most we will pay for loss or damage under this Extension is \$250,000.

- i. Claim Data Expense.** You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of the loss.

The most we will pay for preparation of claim data under this Extension is \$10,000. We will not pay for any expenses billed by and payable to insurance adjusters or attorneys or any costs as provided in the Loss Condition Appraisal.

- m. Consequential Damage.** You may extend the insurance that applies to Your Business Personal Property to apply to the consequential loss of your undamaged product part or parts. Consequential damage means a part or parts of your product are physically lost or damaged by a covered cause of loss causing the part or parts that are undamaged to be unmarketable as a complete product. The most we will pay for loss or damage under this Extension is \$50,000 in any one occurrence.

- n. Credit Card Slips.** You may extend the insurance that applies to Your Business Personal Property to apply to amounts you are unable to collect due to loss of or damage to credit card slips while located at the described premises as a result of a Covered Cause of Loss.

It is your responsibility to establish the amount of the loss under this Extension. If that is not possible, the amount of loss will be determined as follows:

- (1) If you have been in business for more than twelve months at the location of the loss, one-thirtieth (1/30) of the average monthly amount of credit card slips will be considered as the average daily credit card slips for that location. The twelve months immediately preceding the discovery of the loss will be used to determine the average monthly amount.
- (2) If you have been in business for less than twelve months at the location of the loss, the average daily credit card slips shall be one-thirtieth (1/30) of the average monthly amount of credit card slips for the number of months you have been in business at that location.
- (3) The average daily credit card slips will be multiplied by the number of days for which slips are lost to determine the amount of the loss, subject to the maximum limit indicated below.

The most we will pay as a result of loss or damage to credit card slips under this Extension is \$10,000.

No deductible applies to this Extension.

- o. Difference In Value - Leased Equipment.** You may extend the insurance that applies to Your Business Personal Property to cover the difference between the amount due under a lease agreement on covered personal property on the described premises and the replacement cost or actual cash value of that leased personal property.

The most we will pay under this Extension is the greater of the:

- (1) Amount due under the terms of the lease to which your business personal property is subject, but not to include:
  - (a) Overdue lease payments;
  - (b) Financial penalties imposed under the lease due to excessive use or abnormal wear and tear; or
  - (c) Security deposits not refunded by the lessor; or
- (2) Replacement cost if that is shown in the declarations as applying to Your Business Personal Property; or

(3) Actual cash value if that is shown in the declarations as applying to Your Business Personal Property.

p. **Employee Theft.** You may extend the insurance that applies to Your Business Personal Property to apply to loss of and or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

(1) We will not pay for loss as specified below:

(a) Item B.2.h., Exclusions, in the CAUSES OF LOSS - SPECIAL FORM, is replaced by the following: Loss resulting from "theft" or any other dishonest act committed by:

(i) You; or

(ii) Any of your partners or members; whether acting alone or in collusion with other persons.

(b) Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation; or

(c) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon

(i) An inventory computation; or

(ii) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(d) Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

(e) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

(f) Loss that is an indirect result of any act or "occurrence" covered by this insurance.

(g) Expenses related to any legal action.

(h) Loss caused by any "employee" immediately upon discovery by:

(i) You; or

(ii) Any of your partners, members, managers, officers, directors or trustees not in collusion with the "employee"; of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

(2) "Employee"

(a) Means any natural person:

(i) While in your service or for 30 days after termination of service;

(ii) Who you compensate directly by salary, wages or commissions; and

(iii) Who you have the right to direct and control while performing services for you;

(b) Any natural person who is furnished temporarily to you:

(i) To substitute for a permanent "employee" as defined in (a) above, who is on leave; or

(ii) To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

(c) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as define in Paragraph (b) above;

(d) Any natural person who is a former "employee", director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or

(e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.

(f) "Employee" does not mean:

(i) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(ii) Any manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee."

- (3) "Money" means:
- (a) Currency, coins and bank notes in current use and having a face value; and
  - (b) Travelers checks, register checks and money orders held for sale to the public.
- (4) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.
- (5) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".
- (6) "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

The most we will pay for loss or damage under this Extension is \$25,000 in any one occurrence.

The deductible for this Extension will be \$1,000.

"Occurrence" means all loss caused by, or involving, one or more "employees," whether the result of a single act or a series of acts.

- q. **Fine arts.** You may extend coverage that applies to Your Business Personal Property to cover loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art or rarity, having historical values or artistic merit. This Extension is subject to the following:

- (1) Loss or damage must be caused by a Covered Cause of Loss;
- (2) The most we will pay for loss or damage under this Extension is \$50,000 at each described premises;
- (3) Item 2.b. in Section C., Limitations, in the CAUSES OF LOSS - SPECIAL FORM, pertaining to breakage, does not apply to this coverage; and
- (4) The following is added as item f. to paragraph 7, Valuation, of Section E. Loss Conditions, in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM: Fine Arts at market value at the time of loss or damage.

- r. **Forgery or Alteration.** You may extend the insurance that applies to Your Business Personal Property to loss resulting directly from "forgery" or alteration of, any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are

- (1) Made or drawn by or drawn upon you; or
  - (2) Made or drawn by one acting as your agent;
- Or that are purported to have been so made or drawn.

If you are sued for refusing to pay any instrument covered in the paragraph above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.

"Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

"Money" means:

- (a) Currency, coins and bank notes in current use and having a face value; and
- (b) Travelers checks, register checks and money orders held for sale to the public.

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000.

- s. **Lock Replacement.** You may extend the insurance that applies to Covered Property to pay for expenses incurred to replace door locks or tumblers of your described premises due to theft of your door keys. Item 1.e. in Section C., Limitations, in the CAUSES OF LOSS - SPECIAL FORM, shall not apply to this coverage. The most we will pay under this Extension is \$10,000 in any one occurrence. A \$100 deductible applies to this Extension.

- t. **Money and Securities.** You may extend the insurance that applies to Your Business Personal Property to apply to loss of "money", "securities", stamps or lottery tickets held for sale, and "other property". The most we will pay for loss resulting directly from "theft", disappearance or destruction under this Extension is:

- (1) \$25,000 per occurrence for money, securities, stamps and lottery tickets held for sale while located at the described premises; or
- (2) \$25,000 per occurrence for money, securities, stamps and lottery tickets held for sale, and "other property" while being conveyed outside the described premises by you, your officers, your partners or your employees. However, coverage for "other property" is limited to loss or damage resulting from an actual or attempted "robbery".

(3) "Money" means:

- (a) Currency, coins and bank notes in current use and having a face value; and
- (b) Travelers checks, register checks and money orders held for sale to the public.

"Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

"Robbery" means the unlawful taking of property from the care and custody of a person by one who has:

- (a) Caused or threatened to cause that person bodily harm; or
- (b) Committed an obviously unlawful act witnessed by that person.

"Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

"Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

u. **Money Orders and Counterfeit Money.** You may extend the insurance that applies to Your Business Personal Property to loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit" money that is acquired during the regular course of business.

"Money" means:

- (a) Currency, coins and bank notes in current use and having a face value; and
- (b) Travelers checks, register checks and money orders held for sale to the public.

"Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

The most we will pay for any loss under this Extension is \$10,000.

v. **Ordinance or Law.** You may extend the insurance that applies to Your Building only if both (1) and (2) below are satisfied and are then subject to the qualifications set forth in (3) as follows:

- (1) The ordinance or law:
  - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
  - (b) Is in force at the time of loss.

But this coverage extension applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage extension.

- (2) (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
- (3) In the situation described in (2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of this coverage extension. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage extension.

- (4) We will not pay under this coverage extension for:
  - (a) The costs associated with enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

- (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (5) With respect to the building that has sustained covered direct physical damage, we will pay for:
  - (a) The loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
  - (b) The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property;
  - (c) The increased cost to:
    - (i) Repair or reconstruct damaged portions of that building; and/or
    - (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

When a building is damaged or destroyed and this additional coverage applies to that building in accordance with (c) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (c) above:

- a. The cost of excavations, grading, backfilling and filling;
- b. Foundation of the building;
- c. Pilings; and
- d. Underground pipes, flues and drains.

These four items are deleted from Property Not Covered, but only with respect to the coverage described in this provision.

The most we will pay in any one occurrence for loss described in paragraph (5)(a) above is the Limit of Insurance shown in this policy's Declarations applicable to the building sustaining the loss.

The coverage in paragraph (5)(a) above does not increase the Limit of Insurance.

The most we will pay in any one occurrence for loss described in paragraph (5)(b) is \$500,000.

The most we will pay in any one occurrence for loss described in paragraph (5)(c) above is \$500,000.

The Coinsurance Additional Condition does not apply to (5)(b) or (5)(c) above.

The terms of this Extension shall apply separately to each building to which the Extension applies.

This Extension is subject to the deductible in the Commercial Property Coverage Declarations.

- w. **Tenant Glass.** You may extend the insurance that applies to Your Business Personal Property to apply to building glass, including lettering and ornamentation, which you are obligated to insurer under a written lease agreement. The most we will pay under this Extension in any one occurrence is \$15,000. This Extension is subject to these provisions:

- (1) Your responsibility for damage to building glass must be contained in a written lease for premises rented to you at a location shown in the Declarations
- (2) The loss or damage must be caused by or result from direct physical loss unless the loss is;
  - (a) Excluded in Section B. Exclusions of the CAUSE OF LOSS - SPECIAL FORM
  - (b) Limited in Section C. Limitations of the CAUSE OF LOSS - SPECIAL FORM

Building glass losses under this Extension are subject to a \$500 deductible, regardless of the property deductible shown in the Declarations of this policy.

- x. **Computer Coverage.** You may extend the insurance that applies to Your Business Personal Property to apply to computer hardware and computer software. For the purposes of this Coverage Extension, exclusions 2.a. and 2.d.(6) of the CAUSES OF LOSS - SPECIAL FORM CP 10 30 do not apply and the following definitions are added:

- (1) Computer hardware means an assemblage of electronic machine components capable of accepting instructions and information, processing the information according to instructions, and producing desired results.

(2) Computer software means:

- (a) processing, recording or storage media used for electronic data processing operations. This includes films, tapes, cards, discs, drums, cartridges, or cells; and
- (b) data, information, and instructions stored on processing, recording, or storage media used for electronic data processing operations.

The most we will pay under this extension for any one occurrence is \$50,000.

**y. Additional Covered Property.** The following is withdrawn from Property Not Covered and added to Covered Property.

- (1) Bridges, roadways, walks, patios or other paved surfaces;
- (2) The cost of excavations, grading, backfilling or filling;
- (3) Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (a) The lowest basement floor; or
  - (b) The surface of the ground, if there is no basement;
- (4) Bulkheads, pilings, piers, wharves or docks;
- (5) Underground pipes, flues or drains.

**z. Utility Services - Direct Damage.** We will pay for loss or damage to Covered Property caused by an interruption in utility service to the premises described in the Declarations. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to utility property described below that is located off the premises described in the Declarations:

- (1) Water Supply Services, meaning the following types of property supplying water to the premises described in the Declarations:
  - (a) Pumping stations; and
  - (b) Water mains.
- (2) Communications Supply Services, meaning property supplying communication services, including telephone, radio microwave or television services to the premises described in the Declarations, such as:
  - (a) communication transmission lines, including optic fiber transmission lines, but not including overhead transmission lines;
  - (b) Coaxial cables; and
  - (c) Microwave radio relays except satellites.
- (3) Power Supply Services, meaning the following types of property supplying electricity, steam, or gas to the premises described in the Declarations:
  - (a) Utility generating plants;
  - (b) Switching stations;
  - (c) Substations;
  - (d) Transformers; and
  - (e) Transmission lines, but not including overhead transmission lines.

The most we will pay for loss or damage under this Extension is \$100,000. This Extension does not increase the applicable limit of insurance.

**6.** The following is added to Section D. Deductible:

The deductible shown in the Declarations is amended to read \$500 when an occurrence involves covered loss or damage only to exterior building glass. In the event other building property is also damaged in the same occurrence, the deductible shown in the Declarations will be the only deductible applied to all covered loss within that occurrence.

**B. CAUSES OF LOSS - SPECIAL FORM** is amended as shown:

The following Additional Coverage, Coverage Extensions, Limits of Insurance, Loss Conditions and Optional Coverages in the CAUSES OF LOSS - SPECIAL FORM are amended as shown;

Section	Coverage Description	The most we will pay provision is increased to
E.3.	Additional Coverage - Limited Coverage, "Fungus", Wet Rot, Dry Rot, And Bacteria	\$25,000

**F.** Additional Coverage Extensions, items 1.a. and 1.c. of **Property In Transit**, are replaced by the following:

- a. You may extend the insurance provided by this Coverage Part to apply to Your Business Personal Property while in the care, custody or control of your salespersons or in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

- b. Loss or damage must be caused by or result from direct physical loss unless the loss is:
  - (1) Excluded in Section B., Exclusions of the CAUSE OF LOSS - SPECIAL FORM
  - (2) Limited in Section C. Limitations of the CAUSE OF LOSS - SPECIAL FORM
- c. The most we will pay for loss or damage under this Extension is \$100,000.
- C. If the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the following provisions apply:
  - 1. The provision related to "within 100 feet of the site at which the described premises are located" in Sections A.1. and A.5.b.(3) are revised to read "within 1,000 feet" of the site at which the described premises are located:
  - 2. The provision related to "60 consecutive days" in section A.5.c.(1)(b)(ii) is revised to read "90 consecutive days".
  - 3. The following coverage is added to Additional Coverages under Section A.5.:
    - e. Utility Services - Time Element. Your coverage for Business Income and/or Extra Expense, as provided and limited in the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss as defined by the CAUSE OF LOSS - SPECIAL FORM to the following types of property that is located outside of a covered building described in the Declarations:
      - (1) Water Supply Services, meaning the following types of property supplying water to the described premises:
        - (a) Pumping stations; and
        - (b) Water Mains.
      - (2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
        - (a) Communication transmission lines, including optic fiber transmission lines, but not including overhead transmission lines;
        - (b) Coaxial cables; and
        - (c) Microwave radio relays, except satellites.
      - (3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
        - (a) Utility generating plants;
        - (b) Switching stations;
        - (c) Substations;
        - (d) Transformers; and
        - (e) Transmission lines, but not including overhead transmission lines.

The coinsurance Additional Condition does not apply to the Additional Coverage. The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$250,000. This limit is part of, and not in addition to, the Limit of Insurance for Business Income (With Extra Expense) or the Business Income (Without Extra Expense) stated in the Declarations as applicable to the described premises.

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F. Definitions**.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;

- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and

- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.

- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

#### 3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

**4. Additional Limitation - Interruption Of Computer Operations**

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

**5. Additional Coverages**

**a. Civil Authority**

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations. When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a

result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends; whichever is later.

**b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of

your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located. Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions

caused by the impact of the Covered Cause of Loss in the area where the described premises are located. Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation - Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
  - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
  - (d) The Covered Causes of Loss include a virus, harmful code or

similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

#### **6. Coverage Extension**

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

##### **Newly Acquired Locations**

- a. You may extend your Business Income and Extra Expense Coverages to apply to

property at any location you acquire other than fairs or exhibitions.

- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
- (1) This policy expires;
  - (2) 30 days expire after you acquire or begin to construct the property; or
  - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

#### **B. Limits Of Insurance**

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

#### **C. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### **1. Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.  
If there is an appraisal, we will still retain our right to deny the claim.

## **2. Duties In The Event Of Loss**

- a. You must see that the following are done in the event of loss:
- (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (7) Cooperate with us in the investigation or settlement of the claim.
  - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

## **3. Loss Determination**

- a. The amount of Business Income loss will be determined based on:
- (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c. **Resumption Of Operations**  
We will reduce the amount of your:
- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

#### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

#### D. Additional Condition

##### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,
that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight - outgoing;

- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

#### Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000  
The Coinsurance percentage is: 50%  
The Limit of Insurance is: \$ 150,000  
The amount of loss is: \$ 80,000

Step (1):  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$150,000 \div \$200,000 = .75$

Step (3):  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

#### Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000  
The Coinsurance percentage is: 50%  
The Limit of Insurance is: \$ 200,000  
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this

example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss). This condition does not apply to Extra Expense Coverage.

#### **E. Optional Coverages**

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

##### **1. Maximum Period Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
  - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
  - (2) The Limit Of Insurance shown in the Declarations.

##### **2. Monthly Limit Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

#### **Example**

When: The Limit of Insurance is: \$ 120,000  
 The fraction shown in the Declarations for this Optional Coverage is: 1/4  
 The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000  
 (\$120,000 x 1/4 = \$30,000)  
 If, in this example, the actual amount of loss is:

Days 1-30:	\$ 40,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	<hr/>
	\$ 90,000

We will pay:

Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	<hr/>
	\$ 80,000

The remaining \$10,000 is not covered.

##### **3. Business Income Agreed Value**

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and

must show financial data for your "operations":

- (a) During the 12 months prior to the date of the Work Sheet; and
  - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
- (a) The Coinsurance percentage shown in the Declarations; multiplied by
  - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
- (1) 12 months after the effective date of this Optional Coverage; or
  - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
- (1) Within 12 months of the effective date of this Optional Coverage; or
  - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
- (1) The Business Income Limit of Insurance; divided by
  - (2) The Agreed Value.

#### **Example**

When: The Limit of Insurance is: \$ 100,000  
 The Agreed Value is: \$ 200,000  
 The amount of loss is: \$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$   
 Step (2):  $.50 \times \$80,000 = \$40,000$   
 We will pay \$40,000. The remaining \$40,000 is not covered.

##### **4. Extended Period Of Indemnity**

Under Paragraph **A.5.c.**, **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

#### **F. Definitions**

1. "Finished stock" means stock you have manufactured.  
 "Finished stock" also includes whiskey and alcoholic products being aged, unless there

is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;  
caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

  - (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

#### SCHEDULE - PART I

**Terrorism Premium (Certified Acts) \$**

**This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):**

The terrorism premium and applicable Coverages displayed on the declaration pages of this policy represent the charge for Terrorism Coverage for this policy term.

**Additional information, if any, concerning the terrorism premium:**

#### SCHEDULE - PART II

**Federal share of terrorism losses \_\_\_\_\_ % Year:20 \_\_\_\_\_ See Below**

(Refer to Paragraph B. in this endorsement.)

**Federal share of terrorism losses \_\_\_\_\_ % Year:20 \_\_\_\_\_ See Below**

(Refer to Paragraph B. in this endorsement.)

<b>Federal Share</b>	<b>Year</b>
<b>85%</b>	<b>2015</b>
<b>84%</b>	<b>2016</b>
<b>83%</b>	<b>2017</b>
<b>82%</b>	<b>2018</b>
<b>81%</b>	<b>2019</b>
<b>80%</b>	<b>2020</b>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable

insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATIONS ON COVERAGE FOR ROOF SURFACING**

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY

### **SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Indicate Applicability (Paragraph A. and/or Paragraph B.)</b>
<b>0001</b>	<b>001</b>	<b>Paragraph B</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** The following applies with respect to loss or damage by a **Covered Cause of Loss (including wind and hail if covered)** to a building or structure identified in the Schedule as being subject to this Paragraph **A.**:

Replacement Cost coverage (if otherwise applicable to such property) does not apply to roof surfacing. Instead, we will determine the value of roof surfacing at actual cash value as of the time of loss or damage.

- B.** The following applies with respect to loss or damage by **wind and/or hail** to a building or structure identified in the Schedule as being subject to this Paragraph **B.**:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

- C.** For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - ASBESTOS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM

This insurance does not apply to:

- A.** "Bodily injury," "property damage" or "personal and advertising injury" as defined in the policy arising out of:
  - 1. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;
  - 2. The use of asbestos in constructing or manufacturing any goods, product, or structure;
  - 3. The removal of asbestos from any goods, product or structure;
  - 4. The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;
- B.** Any damages or any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority requirement that any insured or any other person or entity should be, or should be responsible for:
  - 1. Assessing the presence, absence or amount or effects of asbestos;
  - 2. Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating asbestos; or
- C.** Responding to asbestos in any way other than as described in subparagraphs **A.** and **B.** above.
- D.** Any actual or alleged negligence in hiring, training, supervision, instructions, recommendations, warnings or advice given or which should have been given to employees, consumers, or others in connection with **A.** and **B.** above; or
- E.** Any obligation to share damages with or repay someone else who must pay damages in connection with any of the subsections above.

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\*//SL2002-200601

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - LEAD LIABILITY**

The following exclusions are added to all coverages contained within.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM

This insurance does not apply to:

1. Actual or alleged "bodily injury," arising out of the ingestion, inhalation or absorption of lead or lead compounds in any form.
2. Actual or alleged "property damage" or "personal and advertising injury" arising out of any form of lead or lead compounds.
3. Any loss, cost or expense arising out of any:
  - a. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead or lead compounds;
  - b. Claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead or lead compounds in any form;
  - c. Any actual or alleged negligence in hiring, training, supervision, instructions, recommendations, warnings or advice given or which should have been given to employees, consumers, or others in connection with lead or lead compounds; or
  - d. Any obligation to share damages with or repay someone else who must pay damages in connection with lead or lead compounds.

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\*//SL2004-200601

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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

**DISCLOSURE OF PREMIUM AND ESTIMATED PREMIUM  
FOR CERTIFIED ACTS OF TERRORISM COVERAGE  
(PURSUANT TO TERRORISM RISK INSURANCE ACT)**

**SCHEDULE**

**SCHEDULE - PART I**

**Terrorism Premium (Certified Acts)**

(A) Premium through end of year (12/31/ ) \$

(B) Estimated Premium beyond the date specified above \$

(Refer to Paragraph C. in this endorsement.)

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

Additional information, if any, concerning the terrorism premium:

**SCHEDULE - PART II**

**Federal share of terrorism losses** % Year: 20 \_\_\_\_\_

(Refer to Paragraph B. in this endorsement.)

**Federal share of terrorism losses** % Year: 20 \_\_\_\_\_

(Refer to Paragraph B. in this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. For losses occurring in 2006, the federal share equals 90%

of that portion of the amount of such insured losses that exceeds the applicable insurer retention. For losses occurring in 2007, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. If the federal program is extended beyond 2007, the applicable percentage is shown in Part II of the Schedule of this endorsement or in the policy Declarations.

**C. Possibility Of Additional Or Return Premium**

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk

Insurance Act. The federal program established by the Act is scheduled to terminate at the end of the year specified in Part **I** of the Schedule of this endorsement, unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the estimated premium shown in **(B)** in Part **I** of the Schedule may not be appropriate.

If this policy contains a Conditional Exclusion, continuation of coverage for certified acts of terrorism, or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of

the Conditional Exclusion. If this policy does not contain a Conditional Exclusion, coverage for certified acts of terrorism will continue. In either case, when disposition of the federal program is determined, we will recalculate the premium shown in **(B)** in Part **I** of the Schedule and will charge additional premium or refund excess premium, if indicated.

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part is replaced by the term Policy.

**B. Legal Action Against Us**

1. The **Legal Action Against Us** Commercial Property Condition is replaced by the following, except as provided in **B.2.** below:

**Legal Action Against Us**

- a.** Except as provided in Paragraph b., no one may bring a legal action against us under this Coverage Part unless:
- (1)** There has been full compliance with all of the terms of this Coverage Part; and
  - (2)** The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
- b.** With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, no one may bring a legal action against us under this Coverage Part unless:
- (1)** There has been full compliance with all the terms of this Coverage Part; and
  - (2)** The action is brought within the earlier of the following:
    - (a)** Two years and one day from the date we accept or reject the claim; or
    - (b)** Three years and one day from the date of the loss or damage that is the subject of the claim.
2. Paragraph **B.1.** above does not apply to the Legal Action Against Us Loss Condition in the Legal Liability Coverage Form **CP 00 40**.

**C. Appraisal**

1. Except as provided in **C.2.** below, the **Appraisal** Loss Condition in the:  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM;  
BUILDERS RISK COVERAGE FORM;  
CONDOMINIUM ASSOCIATION COVERAGE FORM;  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM;

EXTRA EXPENSE COVERAGE FORM;  
LEASEHOLD INTEREST COVERAGE FORM;  
TOBACCO SALES WAREHOUSES COVERAGE FORM; and  
STANDARD PROPERTY POLICY

is replaced by the following:

**Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal:

- a.** You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b.** We will still retain our right to deny the claim.

2. The **Appraisal** Condition in the:  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM; and  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

is replaced by the following:

**Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state

separately the amount of Net Income and operating expense and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal:

- a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b. We will still retain our right to deny the claim.

**D. Under the Duties In The Event Of Loss Or Damage** Loss Condition:

- a. Paragraph a.(2) is replaced by the following:

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved. However, with respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim.

- b. The provision requiring signed, sworn proof of loss is replaced by the following:

Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.

**E. Under the Loss Payment Condition, the provisions pertaining to notice of our intentions and the time period for payment of claims are deleted and replaced by the following:**

**1. Claims Handling**

- a. Within 15 days after we receive written notice of claim, we will:

- (1) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
- (2) Begin any investigation of the claim; and
- (3) Request a signed, sworn proof of loss, specify the information you

must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

- b. We will notify you in writing as to whether:

- (1) The claim or part of the claim will be paid;
- (2) The claim or part of the claim has been denied, and inform you of the reasons for denial;
- (3) More information is necessary; or
- (4) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in b.(1) through b.(4) above, within:

- (1) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (2) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

2. We will pay for covered loss or damage within five business days after:

- a. We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made. However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this Coverage Part, we will make payment within five business days after the date you have complied with such terms.

The following paragraphs are added:

**3. Catastrophe Claims**

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in E.1. and E.2. above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- a. Is declared a disaster under the Texas Disaster Act of 1975; or
- b. Is determined to be a catastrophe by the State Board of Insurance.

4. The term "business day", as used in the Loss Payment Condition, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

F. The following is added to the **Valuation** Loss Condition:

**Chapter 862 - Subsection 862.053.**

**Policy A Liquidated Demand.** A fire insurance policy, in case of total loss by fire of property insured, shall be held and considered to be a liquidated demand against the Company for the full amount of such policy. This subsection does not apply to personal property.

G. Paragraphs **d.** and **f.** of the Mortgageholders Additional Condition are replaced by the following:

**d.** If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 91 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

**f.** If this policy is cancelled, we will give the mortgageholder named in the Declarations written notice of cancellation.

If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 14 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

If you cancel the policy, we will give the mortgageholder notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after the date we mail the notice.

H. The following is added to Paragraph **D.1.** in the **Duties In The Event Of Accident, Claim Or Suit** Loss Condition in the Legal Liability Coverage Form:

We will notify the first Named Insured in writing of:

1. An initial offer to settle a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
2. Any settlement of a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

### **EQUIPMENT AND TECHNOLOGY BREAKDOWN COVERAGE ENDORSEMENT**

**A. The following coverages are added:**

**1. Defense**

If a claim or "suit" is brought against you alleging that you are liable for damage to property of another in your care, custody or control that was directly caused by an "accident" to "covered equipment" we will either:

- a. Settle the claim or "suit"; or
- b. Defend you against the claim or "suit" but keep for ourselves the right to settle it at any point.

**2. Supplementary Payments**

We will pay, with respect to any claim or "suit" we defend:

- a. All expenses we incur;
- b. The cost of bonds to release attachments, but only for bond amounts within the Limit of Insurance. We do not have to furnish these bonds;
- c. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work;
- d. All costs taxed against you in any "suit" we defend;
- e. Pre-judgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer; and
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance shown in the Declarations.

These payments will not reduce the Limit of Insurance.

**B. As respects Equipment Breakdown Coverage only, the following are added:**

**1. Bankruptcy**

The bankruptcy or insolvency of you or your estate will not relieve us of an obligation under this coverage section.

**2. Legal Action Against Us**

No one may bring a legal action against us under this Equipment Breakdown coverage unless:

- a. There has been full compliance with all the terms of this Equipment Breakdown coverage; and

- b. The action is brought within 2 years and 1 day from the date that cause of action first accrues.
- c. We agree in writing that you have an obligation to pay for damage to Covered Property of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.

**C.** With respect to Equipment Breakdown Coverage only, the following Definition is added:

"Suit" means a civil proceeding and includes:

- 1. An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
- 2. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DATA COMPROMISE PLUS**

**RESPONSE EXPENSES  
DEFENSE AND LIABILITY  
IDENTITY RECOVERY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Coverage under this endorsement is subject to the following:

**SCHEDULE**

**SECTION 1 - RESPONSE EXPENSES**

Data Compromise Response Expenses Limit: \$50,000 Annual Aggregate

Sublimits:

Named Malware (Sec. 1)	\$50,000 Any on "Personal Data Compromise"
Forensic IT Review:	\$5,000 Any one "Personal Data Compromise"
Legal Review:	\$5,000 Any one "Personal Data Compromise"
PR Services:	\$5,000 Any one "Personal Data Compromise"
Regulatory Fines And Penalties	\$10,000 Any one "Personal Data Compromise"
PCI Fines And Penalties	\$10,000 Any one "Personal Data Compromise"
Response Expenses Deductible:	\$2,500 Any one "Personal Data Compromise"

**SECTION 2 - DEFENSE AND LIABILITY**

Data Compromise Defense and Liability Limit: \$50,000 Annual Aggregate

Sublimit:

Named Malware (Sec. 2)	\$50,000 Any one "Personal Data Compromise"
Defense and Liability Deductible:	\$2,500 Each "Data Compromise Suit"

**SECTION 3 - IDENTITY RECOVERY**

Case Management Service: Service for any one "identity theft" for up to 12 months

Expense Reimbursement Limit: \$15,000 Annual Aggregate

Expense Reimbursement Deductible: \$250 Any one "identity recovery insured"

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** The following is added to **SECTION I - COVERAGES** as an Additional Coverage.

**SECTION 1 - RESPONSE EXPENSES**

**DATA COMPROMISE COVERED CAUSE OF LOSS**

Coverage under this Data Compromise Plus Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and
2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Plus Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within 90 days after the date it is first discovered by you.

**COVERAGE - SECTION 1**

If the three conditions listed above in DATA COMPROMISE - COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages **4** and **5** apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under coverage **3**.

Please note that service providers must be approved by us as described in Additional Condition **6. - Service Providers**.

**1. Forensic Information Technology Review**

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;
- b. Compliance with PCI or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic Information Technology Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

## **2. Legal Review**

Professional legal counsel review of the "personal data compromise" and how you should best respond to it.

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

## **3. Notification to "Affected Individuals"**

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals".

## **4. Services to "Affected Individuals"**

We will pay your necessary and reasonable costs to provide the following services to "affected individuals".

- a. The following services apply to any "personal data compromise".

- 1) Informational Materials

A packet of loss prevention and customer support information.

- 2) Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise". Where applicable, the line can also be used to request additional services as listed in **b.1)** and **2)**.

- b. The following additional services apply to "personal data compromise" events involving "personally identifying information".

- 1) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

- 2) Identity Restoration Case Management

As respects any "affected individual" who is or appears to be a victim of an "identity theft that may reasonably have arisen from the "personal data compromise", the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

## **5. PR Services**

Professional public relations firm review of and response to the potential impact of the "personal data compromise" on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with "affected individuals". However, we will not pay for promotions:

- a. Provided to any of your directors or employees; or

- b. Costing more than \$25 per "affected individual".

## **6. Regulatory Fines and Penalties**

Any fine or penalty imposed under state law; to the extent such fine or penalty is legally insurable.

## **7. PCI Fines and Penalties**

Any Payment Card Industry (PCI) fine or penalty imposed under a contract to which you are a party. PCI Fines and Penalties do not include any increased transaction costs.

For the purpose of the **Section 1** coverage under this endorsement only, the following replaces **SECTION III - LIMITS OF INSURANCE:**

### **LIMITS - SECTION 1**

1. The most we will pay under Response Expenses coverage is the Data Compromise Response Expenses Limit indicated for this endorsement.

2. The Data Compromise Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under **Section 1** arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.
3. A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" will be subject to the Data Compromise Response Expenses Limit applicable to the policy period when the "personal data compromise" was first discovered by you.
4. The most we will pay under Response Expenses coverage for loss arising from any "malware-related compromise" is the Named Malware (Sec. 1) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 1) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise".
5. The most we will pay under Forensic IT Review, Legal Review, PR Services, Regulatory Fines and Penalties, PCI Fines and Penalties coverages for loss arising from any one "personal data compromise" is the applicable sublimit for each of those coverages indicated for this endorsement. These sublimits are part of, and not in addition to, the Data Compromise Response Expenses Limit. PR Services coverage is also subject to a limit per "affected individual" as described in **5. PR Services**.
6. Coverage for Services to "affected individuals" is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

**DEDUCTIBLE - SECTION 1**

Response Expenses coverage is subject to the Response Expenses Deductible indicated for this endorsement. You will be responsible for such deductible amount as respects each "personal data compromise" covered under this endorsement.

- B.** The following is added to **SECTION I - COVERAGES** as an Additional Coverage.

**SECTION 2 - DEFENSE AND LIABILITY**

**DEFENSE AND LIABILITY COVERED CAUSE OF LOSS**

Coverage under **Section 1** and **Section 2** of this Data Compromise Plus Coverage endorsement applies only if all three of the conditions in DATA COMPROMISE - COVERED CAUSE OF LOSS are met.

Only with regard to **Section 2 - Defense and Liability** coverage, the following conditions must also be met:

1. You have provided notifications and services to "affected individuals" in consultation with us pursuant to Response Expenses coverage; and
2. You receive notice of a "data compromise suit" brought by one or more "affected individuals" or by a governmental entity on behalf of one or more "affected individuals"; and
3. Notice of such "data compromise suit" is received by you within two years of the date that the "affected individuals" are notified of the "personal data compromise"; and
4. Such "data compromise suit" is reported to us as soon as practicable, but in no event more than 90 days after the date it is first received by you.

**COVERAGE - SECTION 2**

If all four of the conditions listed above in DEFENSE AND LIABILITY - COVERED CAUSE OF LOSS have been met, then we will provide coverage for "data compromise defense" and "data compromise liability" directly arising from the covered cause of loss.

For the purpose of the **Section 2** coverage under this endorsement only, the following replaces **SECTION**

**III - LIMITS OF INSURANCE:**

**LIMITS - SECTION 2**

1. The most we will pay under Defense and Liability coverage (other than post-judgment interest) is the Data Compromise Defense and Liability Limit indicated for this endorsement.
2. The Data Compromise Defense and Liability Limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under **Section 2** (other than post-judgment interest) arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

3. A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" (other than post-judgment interest) will be subject to the Data Compromise Defense and Liability Limit applicable to the policy period when the "personal data compromise" was first discovered by you.
4. The most we will pay under Defense and Liability coverage for loss arising from any "malware-related compromise" is the Named Malware (Sec. 2) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 2) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of, and not in addition to, the Defense and Liability Limit.

**DEDUCTIBLE - SECTION 2**

Defense and Liability coverage is subject to the Defense and Liability Deductible indicated for this endorsement. You will be responsible for such deductible amount as respects each "data compromise suit" covered under this endorsement.

For the purpose of the **Section 1** and **Section 2** coverage under this endorsement only, the following additional exclusions apply to Paragraph 2. **Exclusions** under **SECTION I - COVERAGES**

**EXCLUSIONS - SECTION 1 AND SECTION 2**

We will not pay for cost arising from the following:

1. Your intentional or willful complicity in a "personal data compromise";
2. Any criminal, fraudulent or dishonest act error or omission, or any intentional or knowing violation of the law by you;
3. Any "personal data compromise" occurring prior to the first inception of this Data Compromise Plus Coverage endorsement or any substantially similar to that described in this endorsement;
4. Cost to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedure or physical security that may have contributed to a "personal data compromise";
5. Any fines or penalties imposed under federal law including, but not limited to, HIPAA fines and penalties;
6. Any criminal investigations or proceedings;
7. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance;
8. Any "personal data compromise" involving data that is being transmitted electronically, unless such data is encrypted to protect the security of the transmission.
9. Your "reckless disregard" for the security of "personally identifying information" or "personally sensitive information" in your care, custody, or control;
10. That part of any "data compromise suit" seeking any non-monetary relief; or
11. "Bodily injury", "property damage" or "personal and advertising injury".
12. Any amount not insurable under applicable law.

For the purpose of the **Section 1** and **Section 2** coverage under this endorsement only, **SUPPLEMENTARY PAYMENTS** under **SECTION I - COVERAGES** do not apply.

For the purpose of the **Section 1** and **Section 2** coverage under this endorsement only, subparagraphs **2.b.** and **3.** of **SECTION II - WHO IS AN INSURED** do not apply.

For the purpose of the **Section 1** and **Section 2** coverage under this endorsement only, the following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

**ADDITIONAL CONDITIONS - SECTION 1 AND SECTION 2**
**1. "Data Compromise Liability" Defense**

- a. We will have the right, and the duty, to assume the defense of any applicable "data compromise suit" against you. You will give us such information and cooperation as we may reasonably require.
- b. You will not admit liability for or settle any "data compromise suit" or incur any defense costs without our prior written consent.
- c. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense (if we have assumed your defense) by tendering control of the defense to you. From that point forward, you will, at your own expense, negotiate or defend such "data compromise suit" independently of us. Our liability will not exceed the amount for which the claim or suit could have been settled if such recommendation had been consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
- d. We will not be obligated to pay any damages or defense costs, or to defend or continue to defend any "data compromise suit" after the Data Compromise Defense and Liability Limit has been exhausted.

- e. We shall pay all interest on that amount of any judgment within the Data Compromise Defense and Liability Limit which accrues:
- 1) after entry of judgment; and
  - 2) before we pay, offer to pay or deposit in court that part of the judgment within the Data Compromise Defense and Liability Limit or, in any case, before we pay or offer to pay the entire Data Compromise Defense and Liability Limit.

These interest payments shall be in addition to and not part of the Data Compromise Defense and Liability Limit.

## **2. Duties in the Event of a "Data Compromise Suit"**

- a. If a "data compromise suit" is brought against you, you must:
- (1) Immediately record the specifics of the "data compromise suit" and the date received;
  - (2) Provide us with written notice, as soon as practicable, but in no event more than 90 days after the date the "data compromise suit" is first received by you;
  - (3) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "data compromise suit";
  - (4) Authorize us to obtain records and other information;
  - (5) Cooperate with us in the investigation, settlement or defense of the "data compromise suit";
  - (6) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
  - (7) Take no action, or fail to take any required action, that prejudices your rights or our rights with respect to such "data compromise suit".
- b. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
- c. If you become aware of a claim or complaint that may become a "data compromise suit", you will promptly inform us of such claim or complaint.

## **3. Due Diligence**

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
- b. Providing and maintaining appropriate computer and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card and check payments; and
- e. Appropriate disposal of files containing "personally identifying information" or "personally sensitive information" including shredding hard copy files and destroying physical media used to store electronic data.

## **4. Legal Advice**

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Plus Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

## **5. Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under this Data Compromise Plus Coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition **6. Service Providers**. You must provide the following at our pre-notification consultation with you:

- a. The exact list of "affected individuals" to be notified, including contact information;
- b. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals"; and
- c. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Response Expenses Limit.

## **6. Service Providers**

- a. We will only pay under this Data Compromise Plus Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Plus Coverage. We will not unreasonably withhold such approval.

- b. Prior to the Pre-Notification Consultation described in Additional Condition 5. above, you must come to agreement with us regarding the service provider(s) to be used for the **Notification to "Affected Individuals"** and **Services to "Affected Individuals"**. We will suggest a service provider; however, if you prefer to use an alternate service provider, our coverage is subject to the following limitations:

- (1) Such alternate service provider must be approved by us;
- (2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
- (3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

#### 7. Services

The following conditions apply as respects any services provided to you or any "affected individual" by us, our designees or any service firm paid for in whole or in part under this Data Compromise Plus coverage:

- a. The effectiveness of such services depends on your cooperation and assistance;
- b. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions;
- c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events; and
- d. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

#### 8. Prompt Payment of Claims

##### a. Receipt of Notice of Claim.

- (1) Not later than the 15th day after the date we receive notice of a claim, we will:
  - (a) acknowledge receipt of the claim;
  - (b) commence any investigation of the claim; and
- (2) Request from you all items, statements, and forms that we reasonably believe, at that time, will be required from you.
- (3) We may make additional requests for information if during the investigation of the claim the additional requests are necessary.
- (4) If the acknowledgment of receipt of a claim is not made in writing, we will make a record of the date, manner, and content of the acknowledgment.

##### b. Notice of Acceptance or Rejection of Claim.

- (1) Except as provided by Subsection c., we will notify you in writing of the acceptance or rejection of a claim not later than the 15th business day after the date we receive all items, statements, and forms required by us to secure final proof of loss.
- (2) If we reject the claim, the notice required by Subsection b.(1) must state the reasons for the rejection.
- (3) If we are unable to accept or reject the claim within the period specified by Subsection b.(1), we, within that same period, will notify you of the reasons that we need additional time. We will accept or reject the claim not later than the 45th day after the date we notify you under this subsection.

##### c. Payment of Claim.

- (1) Except as otherwise provided by this section, if we notify you under Subsection b. that we will pay a claim or part of a claim, we will pay the claim not later than the fifth business day after the date notice is made.
- (2) If payment of the claim or part of the claim is conditioned on the performance of an act by you, we will pay the claim not later than the fifth business day after the date the act is performed.

##### d. Delay in Payment of Claim.

- (1) Except as otherwise provided, if we after receiving all items, statements, and forms reasonably requested and required under Subsection a, delay payment of the claim for a period exceeding the period specified by applicable statutes or, if other statutes do not specify a period, for more than 60 days, we will pay damages and other items as provided by Texas Insurance Code Section 542.060.

(2) Subsection **d.(1)** does not apply in a case in which it is found as a result of arbitration or litigation that a claim received by us is invalid and should not be paid by us.

For the purpose of the **Section 1** and **Section 2** coverage under this endorsement only, the following is added to **SECTION V - DEFINITIONS**

**DEFINITIONS - SECTION 1 AND SECTION 2**

1. "Affected individual" means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this endorsement. This definition is subject to the following provisions:
  - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual";
  - b. An "affected individual" must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
    - 1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours;
    - 2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours; or
    - 3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this policy; and
  - c. An "affected individual" may reside anywhere in the world.
2. "Data Compromise Defense Costs" means expenses resulting solely from the investigation, defense and appeal of any "data compromise suit" against you. Such expenses must be reasonable and necessary. They will be incurred by us. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but we have no obligation to apply for or furnish any such bond.
3. "Data Compromise Liability"
  - a. "Data compromise liability" means the following, when they arise from a "data compromise suit":
    - 1) Damages, judgments or settlements to "affected individuals";
    - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or by court order; and
    - 3) Pre-judgment interest interest on that part of any judgment paid by us.
  - b. "Data compromise liability" does not mean:
    - 1) Damages, judgments or settlements to anyone who is not an "affected individual";
    - 2) Civil or criminal fines or penalties imposed by law;
    - 3) Punitive or exemplary damages;
    - 4) The multiplied portion of multiplied damages;
    - 5) Taxes; or
    - 6) Matters which may be deemed uninsurable under the applicable law.
4. "Data Compromise Suit"
  - a. "Data Compromise Suit" means a civil proceeding in which damages to one or more "affected individuals" arising from a "personal data compromise" or the violation of a governmental statute or regulation are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. "Data compromise suit" includes:
    - 1) An arbitration proceeding in which such damages are claimed, and to which you must submit or do submit with our consent;
    - 2) Any other alternative dispute resolution proceeding in which such damages are claimed, and to which you submit with our consent; or
    - 3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.

- b. "Data compromise suit" does not mean any demand or action brought by or on behalf of someone who is:
- 1) Your director or officer;
  - 2) Your owner or part-owner; or
  - 3) A holder of your securities;
- in their capacity as such, whether directly, derivatively, or by class action. "Data compromise suit" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual".
- c. "Data compromise suit" does not mean any demand or action brought by an organization, business, institution, or any other party that is not an "affected individual" or governmental entity. "Data compromise suit" does not mean any demand or action brought on behalf of an organization, business, institution, governmental entity or any other party that is not an "affected individual".
5. "Identity Theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes. "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
6. "Malware-Related Compromise" means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious code that, at the time of the "personal data compromise", is named and recognized by the CERT<sup>E</sup> Coordination Center, McAfee<sup>E</sup>, Secunia, Symantec or other comparable third party monitors of malicious code activity.
7. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss theft, accidental release or accidental publication must result in, or have the reasonable possibility of resulting in, the fraudulent use of such information. This definition is subject to the following provisions:
- a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in your direct care, custody or control of:
    - 1) You; or
    - 2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information
  - b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
    - 1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
    - 2) Such disposal or abandonment must take place during the time period for which this Data Compromise Plus Coverage endorsement is effective;
  - c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof; and
  - d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data compromise".
8. "Personally identifying information" means information, including health information, which could be used to commit fraud or other illegal activity involving the credit, access to health care, or identity of an "affected individual". This includes but is not limited to Social Security numbers or account numbers. "Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
9. "Reckless Disregard" means that:
- a. The action or procedure is deliberate; and
  - b. The action or procedure entails either a certainty or a high probability of causing or allowing a "personal data compromise".

10. "Personally Sensitive Information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.

"Personally sensitive information" does not mean or include "personally identifying information".

C. The following is added to **SECTION I - COVERAGES** as an Additional Coverage.

**SECTION 3 - IDENTITY RECOVERY COVERAGE**

**COVERAGE - SECTION 3**

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy;
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery Coverage is applicable; and
3. Such "identity theft" is reported to us within 90 days after the date it is first discovered by the "identity recovery insured".

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. Case Management Service  
Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and
2. Expense Reimbursement  
Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft".

For the purpose of the **Section 3** coverage under this endorsement only, the following is added to Paragraph

**2. Exclusions** under **SECTION I - COVERAGES**

**EXCLUSIONS - SECTION 3**

We do not cover loss or expense arising from any of the following:

1. The theft of a professional or business identity;
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion will not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act; or
3. An "identity theft" that is not reported in writing to the police.

For the purpose of the **Section 3** coverage under this endorsement only, **SUPPLEMENTARY PAYMENTS** under **SECTION I - COVERAGES** do not apply:

For the purpose of the **Section 3** coverage under this endorsement only, the following replaces **SECTION III - LIMITS OF INSURANCE**

**LIMITS - SECTION 3**

1. Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement Coverage.
2. Expense Reimbursement Coverage is subject to the Expense Reimbursement Limit indicated for this endorsement. The Expense Reimbursement Limit is an annual aggregate limit per "identity recovery insured". Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12 month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.
3. Legal costs as provided under item **d.** of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement Coverage limit.
4. Item **e.** (Lost Wages) and item **f.** (Child Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$5,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
5. Item **g.** (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

6. Item **h.** (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

**DEDUCTIBLE - SECTION 3**

1. Case Management Service is not subject to a deductible.
2. Expense Reimbursement Coverage is subject to the Expense Reimbursement Deductible indicated for this endorsement. Any one "identity recovery insured" will be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

For the purpose of the coverage under **Section 3** under this endorsement only, **SECTION II - WHO IS AN INSURED** does not apply.

For the purpose of the **Section 3** coverage under this endorsement only, the following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

**ADDITIONAL CONDITIONS - SECTION 3****1. Help Line**

- a. For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line** at **1-800-414-9783**.
- b. The **Identity Recovery Help Line** can provide the "identity recovery insured" with:
  - 1) Information and advice for how to respond to a possible "identity theft"; and
  - 2) Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.In some cases, we may provide Case Management Services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under this policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.
- c. As respects Expense Reimbursement Coverage the "identity recovery insured" must send to us, within 90 days after our request, receipts, bills or other records that support his or her claims for "identity recovery expenses".

**2. Services**

The following conditions apply as respects any services provided by us or our designee to any "identity recovery insured" under this endorsement:

- a. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured";
- b. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors of foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions; and
- c. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts".

For the purpose of the **Section 3** coverage under this endorsement only, the following is added to **SECTION V - DEFINITIONS**

**DEFINITIONS - SECTION 3**

1. "Identity Recovery Case Manager" means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured". This includes, with the permission and cooperation of the "identity recovery insured", written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. "Identity Recovery Expenses" means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft":
  - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft";
  - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft";
  - c. Costs for credit reports from established credit bureaus;
  - d. Fees and expenses for an attorney approved by us for the following:
    - 1) The defense of any civil suit brought against an "identity recovery insured";
    - 2) The removal of any civil judgment wrongfully entered against an "identity recovery insured";

- 3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency;
- 4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report; and
- 5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured";
- e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours;
- f. Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured";
- g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured"; and
- h. Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft".
  - 1) Such costs include:
    - (a) Costs by the "identity recovery insured" to recover control over his or her personal identity; and
    - (b) Deductibles or service fees from financial institutions.
  - 2) Such costs do not include:
    - (a) Costs to avoid, prevent or detect "identity theft" or other loss;
    - (b) Money lost or stolen; and
    - (c) Costs that are restricted or excluded elsewhere in this endorsement or policy.
- 3. "Identity Recovery Insured" means the following:
  - a. When the entity insured under this policy is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity;
  - b. When the entity insured under this policy is a partnership, the "identity recovery insureds" are the current partners; or
  - c. When the entity insured under this policy is a corporation or other organization, the "identity recovery insureds" are all the individuals having ownership position of 20% or more of the insured entity. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" will be:
    - 1) The chief executive of the insured entity; or
    - 2) As respects a religious institution, the senior ministerial employee.

An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured".
- 4. "Identity Theft" means the fraudulent use of the social security number or other method of identifying an "identity recovery insured". This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts, or commit crimes. "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**  
**(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

  - (a) Any "nuclear reactor";

- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.  
"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.  
"Property damage" includes all forms of radioactive contamination of property.

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

### SECTION I - COVERAGES

#### COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of

the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a

- contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the

- intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or

regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard". This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted

to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

**COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY**
**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages **A** and **B**.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

### i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

### k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

### l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

### m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE C - MEDICAL PAYMENTS**
**1. Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**SECTION II - WHO IS AN INSURED**

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only

with respect to the conduct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
  - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
    - you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### **SECTION III - LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
    - (1) Immediately record the specifics of the claim or "suit" and the date received; and
    - (2) Notify us as soon as practicable. You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
  - c. You and any other involved insured must:
    - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
    - (2) Authorize us to obtain records and other information;
    - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
    - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
  - d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

##### **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

**b. Excess Insurance**

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** - Coverage **A** - Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

## 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
  - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
  - (2) The activities of a person whose home is in the territory described in Paragraph

a. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;

- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in Paragraph **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises

that a person occupies, committed by or on behalf of its owner, landlord or lessor;

- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - b. Does not include "bodily injury" or "property damage" arising out of:
    - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
    - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have

- acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

- a. Means:
- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**AMENDMENT OF CONTRACTUAL LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

- A.** The following replaces Paragraph **(2)** of Exclusion **b.**, Contractual Liability, in Paragraph **2.** of SECTION **I** - COVERAGES - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:
- (1)** That you would have in the absence of the contract or agreement; or
  - (2)** Assumed by you in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than you will be deemed to be damages because of "bodily injury" or "property damage", provided that:
    - (a)** Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
    - (b)** Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.
- B.** The following replaces the beginning of Paragraph **2.**, and Paragraphs **2.a.**, **b.**, **c.**, **d.** and **e.**, of SUPPLEMENTARY PAYMENTS - COVERAGES A AND B of SECTION **I** - COVERAGES:
- 2.** If we defend you against a "suit" and your indemnitee is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
    - a.** The "suit" against the indemnitee seeks damages for which you have assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
    - b.** This insurance applies to such liability assumed by you;
    - c.** The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by you in the same "insured contract";
    - d.** The allegations in the "suit" and the information we know about the "occurrence" are such that we determine that no conflict exists between your interests and the interests of the indemnitee;
    - e.** You and the indemnitee ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend you and the indemnitee; and
- C.** The following replaces the last sentence of Paragraph **2.** of SUPPLEMENTARY PAYMENTS - COVERAGES A AND B of SECTION **I** - COVERAGES:
- Our obligation to defend your indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:
- a.** We have used up the applicable limit of insurance in the payment of judgments, settlements, medical expenses; or
  - b.** The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL  
OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY  
- WITH LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. Exclusion 2.p. of Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

- p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

**Damages arising out of:**

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above. However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** The following exclusion is added to Paragraph 2.  
**Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B.** The following exclusion is added to Paragraph 2.  
**Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a.** "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b.** Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C.** The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYEE BENEFITS LIABILITY COVERAGE**

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
<b>Employee Benefits Programs</b>	\$ <b>each employee</b>	\$	\$
<b>Retroactive Date:</b>	\$ <b>aggregate</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

**A. The following is added to Section I - Coverages:  
COVERAGE - EMPLOYEE BENEFITS LIABILITY**

**1. Insuring Agreement**

**a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D.** (Section **III** - Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b.** This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";

(2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and

(3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** of this endorsement.

**c.** A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph **a.** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

**d.** All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

### f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

### g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

### h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

### i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

### j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

## B. For the purposes of the coverage provided by this endorsement:

### 1. All references to Supplementary Payments - Coverages A and B are replaced by Supplementary Payments - Coverages A, B and Employee Benefits Liability.

### 2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

## C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 3. of Section II - Who Is An Insured are replaced by the following:

### 2. Each of the following is also an insured:

#### a. Each of your "employees" who is or was authorized to administer your "employee benefit program".

#### b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

#### c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

### 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:

#### a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

#### b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

## D. For the purposes of the coverage provided by this endorsement, Section III - Limits Of Insurance is replaced by the following:

### 1. Limits Of Insurance

#### a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:

- (1) Insureds;
- (2) "Claims" made or "suits" brought;
- (3) Persons or organizations making "claims" or bringing "suits";
- (4) Acts, errors or omissions; or
- (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
 However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

## 2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim" apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV - Commercial General Liability Conditions** are replaced by the following:

## 2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
  - (1) What the act, error or omission was and when it occurred; and
  - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b. If a "claim" is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
  - (2) Notify us as soon as practicable. You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

#### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

#### EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period, as described below, if:

a. This endorsement is canceled or not renewed; or

b. We renew or replace this endorsement with insurance that:

- (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or

- (2) Does not apply to an act, error or omission on a claims-made basis.

2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.

3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

a. The "employee benefit programs" insured;

b. Previous types and amounts of insurance;

c. Limits of insurance available under this endorsement for future payment of damages; and

**d. Other related factors.**

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

- 4.** If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

- G.** For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

**1.** "Administration" means:

- a.** Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b.** Handling records in connection with the "employee benefit program"; or
- c.** Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

- 2.** "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
- 3.** "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

- 4.** "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a.** Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b.** Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c.** Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d.** Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e.** Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H.** For the purposes of the coverage provided by this endorsement, Definitions **5.** and **18.** in the **Definitions** Section are replaced by the following:
- 5.** "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 18.** "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES  
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES - CANCELLATION AND  
NONRENEWAL PROVISIONS FOR CASUALTY LINES  
AND COMMERCIAL PACKAGE POLICIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY  
FARM COVERAGE PART - FARM LIABILITY COVERAGE FORM  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This endorsement also modifies insurance provided under the following when written as part of a Commercial Package Policy:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

**2.** We may cancel this policy:

- a.** By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.  
However, if this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described above, will be provided to the first Named Insured 30 days before the effective date of cancellation. We will also provide 30 days' written notice to each unit-owner to whom we issued a certificate or memorandum of insurance, by mailing or delivering the notice to each last mailing address known to us.
- b.** For the following reasons, if this policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two- family dwellings:

- (1)** If this policy has been in effect for 60 days or less, we may cancel for any reason except that, under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.
- (2)** If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:
  - (a)** Fraud in obtaining coverage;
  - (b)** Failure to pay premiums when due;
  - (c)** An increase in hazard within the control of the insured which would produce an increase in rate;
  - (d)** Loss of our reinsurance covering all or part of the risk covered by the policy; or
  - (e)** If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.

c. For the following reasons, if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:

- (1) If this policy has been in effect for less than 90 days, we may cancel coverage for any reason.
- (2) If this policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel coverage, only for the following reasons:
  - (a) If the first Named Insured does not pay the premium or any portion of the premium when due;
  - (b) If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;
  - (c) If the Named Insured submits a fraudulent claim; or
  - (d) If there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.

B. The following condition is added and supersedes any provision to the contrary:

**Nonrenewal**

1. We may elect not to renew this policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
2. This paragraph, 2., applies unless the policy qualifies under Paragraph 3. below.

If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.

3. If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then we will mail or deliver written notice of nonrenewal, at least 30 days before the expiration or anniversary date of the policy, to:
  - a. The first Named Insured; and
  - b. Each unit-owner to whom we issued a certificate or memorandum of insurance.We will mail or deliver such notice to each last mailing address known to us.
4. If notice is mailed, proof of mailing will be sufficient proof of notice.
5. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES - EMPLOYMENT-RELATED  
PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2.,  
Exclusions of Section I - Coverage A -  
Bodily Injury And Property Damage  
Liability:**

This insurance does not apply to:  
"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment;  
or
  - (c) Employment-related practices, policies,  
acts or omissions, such as coercion,  
demotion, evaluation, reassignment, disci-  
pline, defamation, harassment, humiliation  
or discrimination directed at that person;  
or
- (2) The spouse, child, parent, brother or sister of  
that person as a consequence of "bodily  
injury" to that person at whom any of the  
employment-related practices described in  
Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an  
employer or in any other capacity; and

- (2) To any obligation to share damages with or  
to repay someone else who must pay  
damages because of the injury.

**B. The following exclusion is added to Paragraph 2.,  
Exclusions of Section I - Coverage B -  
Personal And Advertising Injury Liability:**

This insurance does not apply to:  
"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment;  
or
  - (c) Employment-related practices, policies,  
acts or omissions, such as coercion, de-  
motion, evaluation, reassignment, disci-  
pline, defamation, harassment, humiliation  
or discrimination directed at that person;  
or
- (2) The spouse, child, parent, brother or sister of  
that person as a consequence of "personal  
and advertising injury" to that person at  
whom any of the employment-related  
practices described in Paragraphs (a), (b) or  
(c) above is directed.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS LIABILITY PLUS ENDORSEMENT**

Unless otherwise amended by separate endorsement this endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### **CONTENTS**

1. EXPECTED OR INTENDED PROPERTY DAMAGE
2. BROADENED NON-OWNED WATERCRAFT
3. AMENDED SUPPLEMENTARY PAYMENTS
4. BROADENED DAMAGE TO PREMISES RENTED OR OCCUPIED BY YOU
5. ADDITIONAL INSURED - BROAD FORM VENDORS
6. ADDITIONAL INSURED - MANAGER OR LESSORS OF PREMISES
7. ADDITIONAL INSURED - LESSORS OF EQUIPMENT
8. EXTENDED NEWLY ACQUIRED OR FORMED ORGANIZATIONS AS INSURED
9. IMPROVED DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT CONDITION
10. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS
11. PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE
12. ELECTRONIC DATA LIABILITY
13. "MOBILE EQUIPMENT" REDEFINED

### **1. EXPECTED OR INTENDED PROPERTY DAMAGE**

**Exclusion 2.a. in SECTION I - COVERAGE A** is replaced by the following:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

### **2. BROADENED NON-OWNED WATERCRAFT**

A. If Endorsement **CG 21 09, CG 21 10, CG 24 50** or **CG 24 51** is attached to the Policy, the following is added to Paragraph **2.g.(2)(b) - Exclusions** under **Section I - Coverage A - Bodily Injury And Property Damage Liability**:

Paragraph **2.g.(2)(b)** of **Section I - Coverages** is replaced by the following:

(b) A watercraft you do not own that is:

- (i) Less than 51 feet long; and
- (ii) Not being used to carry persons or property for a charge;

B. If Paragraph 2.A. does not apply, the following is added to Paragraph **2.g.(2) - Exclusions** under **SECTION I - COVERAGE** pertaining to non-owned watercraft, is changed to the following:  
This exclusion does not apply to:

(2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge.

### **3. AMENDED SUPPLEMENTARY PAYMENTS**

Paragraphs **b.** and **d.** of the **Supplementary Payments - Coverages A and B** section are changed as shown:

- b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$500 a day because of time off from work.

**4. BROADENED DAMAGE TO PREMISES RENTED TO YOU**

- A. The paragraph immediately following **Exclusion 2.j.(6)** in **SECTION I - COVERAGE A**, is amended as follows:

Paragraph (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, smoke, lightning, explosion, water damage or sprinkler leakage) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

- B. The last paragraph under **Exclusion 2.** in **SECTION I - COVERAGE A**, is amended as follows:

Exclusions c. through n. do not apply to damage by fire, smoke, lightning, explosion, water damage or sprinkler leakage to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

- C. **SECTION III - LIMITS OF INSURANCE** is amended as follows:

Paragraph 6. is deleted and replaced with the following:

6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, smoke, lightning, explosion, water damage or sprinkler leakage, while rented to you or temporarily occupied by you, with permission of the owner.

Subject to all the terms of SECTION III - LIMITS OF INSURANCE, the Damage to Premises Rented To You Limit is the greater of:

- a. \$500,000; or
  - b. The amount shown in the Declarations for Damage to Premises Rented To You Limit.
- D. Paragraph **4.b.(1)(a)(ii)** in **Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is replaced with the following:

(ii) That is Fire, Smoke, Lightning, Explosion, Water Damage, or Sprinkler Leakage Insurance for premises while rented to you or temporarily occupied by you with the permission of the owner.

- E. Paragraph **9.a.** in **Section V - DEFINITIONS** is amended to read:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, smoke, lightning, explosion, or water damage or sprinkler leakage to premises, while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

**5. ADDITIONAL INSURED - BROAD FORM VENDORS**

- A. **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person(s) or organization(s) (referred to throughout this section as vendor) with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

However:

1. The insurance afforded to such vendor only applies to the extent permitted by law; and
2. If coverage provided to the vendor is required by contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

- B. With respect to the insurance afforded to these vendors, the following additional exclusions apply:

1. The insurance afforded the vendor does not apply to:

- a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- b. Any express warranty unauthorized by you;
- c. Any physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
        - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
          - (1) The exceptions contained in Sub-paragraphs **d.** or **f.**; or
          - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
      - 2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
      - 3. Provision **B.2.** does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Coverage Part.
      - 4. This insurance does not apply if "bodily injury" or "property damage" included within the "products completed operations hazard" is excluded either by the provisions of the Coverage Part or by endorsement.
    - C. With respect to the insurance afforded to these vendors, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is:

      - 1. The minimum amount of insurance required by the contract or agreement; or
      - 2. The amount of insurance available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This provision shall not increase the applicable Limits of Insurance shown in the Declarations.
  - 6. **ADDITIONAL INSURED - MANAGER OR LESSORS OF PREMISES**
    - A. **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person(s) or organization(s) from whom you lease a building or premises when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by some negligent act or omissions by you, your employees, your agents, or your subcontractors as a result of your occupancy, maintenance or use of that part of the premises leased to you, provided that:
      - 1. The "bodily injury", "property damage" or "personal and advertising injury" giving rise to liability occurs subsequent to the execution of the agreement; and
      - 2. The written agreement is in effect at the time of the "bodily injury", "property damage", "personal and advertising injury" for which coverage was sought.However:
      - 1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
      - 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
    - B. Exclusions

This insurance does not apply to:

      - 1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
      - 2. Any structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) from which you lease a building or premises.
      - 3. Any premise for which coverage is excluded by endorsement.
      - 4. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of the additional insured or by those acting on behalf of the additional insured.
    - C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is:

      - 1. The minimum amount of insurance required by the contract or agreement; or

2. The amount of insurance available under the applicable Limits of Insurance shown in the Declarations;  
whichever is less.

This provision shall not increase the applicable Limits of Insurance shown in the Declarations.

**7. ADDITIONAL INSURED - LESSORS OF EQUIPMENT**

- A. SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person(s) or organization(s) from whom you lease equipment when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

- B.** With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

- C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

The most we will pay on behalf of the additional insured is:

1. The minimum amount of insurance required by the contract or agreement; or
2. The amount of insurance available under the applicable Limits of Insurance shown in the Declarations;  
whichever is less.

This provision shall not increase the applicable Limits of Insurance shown in the Declarations.

**8. EXTENDED NEWLY FORMED OR ACQUIRED ORGANIZATIONS AS INSURED**

Paragraph 3. in **SECTION II - WHO IS AN INSURED** is deleted and replaced with the following:

- 3.** Any organization you newly acquire or form, other than a partnership, or joint venture, and over which you maintain ownership or majority interest, will qualify as an insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization. No person or organization is an insured with respect to the conduct of any current or past partnership, or joint venture that is not shown as an insured in the Declarations.

**8. IMPROVED DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT CONDITION**

**Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

Paragraphs **e.** and **f.** are added to **2. Duties In the Event of Occurrence, Offense, Claim Or Suit**, as shown:

- e.** The requirement in Condition **2.a.** applies only when the "occurrence" or offense is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An "executive officer" or insurance manager, if you are a corporation.
- (4) A member or manager if the named insured is a limited liability company.

- f.** The requirement in Condition **2.b.** will not be breached unless the breach occurs after such claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An "executive officer" or insurance manager, if you are a corporation.
- (4) A member or manager if the named insured is a limited liability company.

**10. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS**

Condition 8. **Transfer Of Rights Of Recovery Against Others To Us** of **Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization which, before the loss, you have agreed in writing to waive your right of recovery.

This provision does not apply to any written contract formed or executed after performance has begun.

**11. PRIMARY AND NONCONTRIBUTORY**

Subparagraph a. **Primary Insurance** of Paragraph 4. **Other Insurance** of **Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended by the following additional paragraph:

However, this insurance is primary to and will not seek contribution from any other insurance available to a person or organization added as an additional insured under the terms of this Coverage Form or amendatory endorsement provided that:

- a. The person or organization is a Named Insured under such other insurance; and
- b. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

**12. ELECTRONIC DATA LIABILITY**

A. Exclusion 2.p. of **Coverage A - Bodily Injury And Property Damage Liability** in **Section I - Coverages** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

However, this exclusion does not apply to liability for damage because of "bodily injury".

B. The following is added to Paragraph 2. **Exclusions** of **Coverage B - Personal And Advertising Injury Liability** in **Section I - Coverages**:

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

Damages arising out of:

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

B. The following paragraph is added to **SECTION III - LIMITS OF INSURANCE**

Subject to 5. above, we will pay up to \$50,000 for the loss of "electronic data" under Coverage A for "property damage" because of all loss of "electronic data" arising out of any one "occurrence". The limit does not increase the "occurrence" limit stated in the Declarations.

C. The following definition is added to the **Definitions** section:

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

D. For the purposes of the coverage provided by this endorsement, the definition "property damage" in the **Definitions** section is replaced by the following:

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it; or
- c. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data" resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

**13. "MOBILE EQUIPMENT" REDEFINED**

**Section V - DEFINITIONS** is amended as follows:

- a. Paragraph **12.f.(1)(a)**, **(b)**, and **(c)** of the "mobile equipment" definition does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS PREMIER LIABILITY PLUS ENDORSEMENT**

**SOME PROVISIONS WITHIN THIS ENDORSEMENT PROVIDE CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**CONTENTS**

- A. EXPECTED OR INTENDED PROPERTY DAMAGE**
- B. FELLOW EMPLOYEE COVERAGE**
- C. EXTENDED NON-OWNED AIRCRAFT AND WATERCRAFT**
- D. EXPANDED DAMAGE TO PREMISES RENTED OR OCCUPIED BY YOU**
- E. INCREASED SUPPLEMENTARY PAYMENTS**
- F. BROADENED NAMED INSURED**
- G. ENHANCED DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT CONDITION**
- H. UNINTENTIONAL FAILURE TO DISCLOSE ALL HAZARDS**
- I. LIBERALIZATION CONDITION**
- J. BROADENED BODILY INJURY DEFINITION**
- K. COVERAGE TERRITORY BROADENED**
- L. LIMITED PRODUCT WITHDRAWAL EXPENSE**
- M. EMPLOYEE BENEFITS LIABILITY COVERAGE (CLAIMS-MADE COVERAGE)**

**A. EXPECTED OR INTENDED PROPERTY DAMAGE**

Unless otherwise amended by separate endorsement to this Coverage Form, **Exclusion 2.a.** in **SECTION I** - **COVERAGE A** is deleted and replaced by the following:

- a.** "Bodily Injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**B. FELLOW EMPLOYEE COVERAGE**

Unless otherwise amended by separate endorsement to this Coverage Form, paragraph **2.a.(1)**, in **Section II** - **Who is an Insured**, is replaced by the following:

**(1)** "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or member (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business.
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services. However, this does not apply to "bodily injury" to a co-"employee" when caused by your "employee", except with respect to claims for "bodily injury" to:
  - (a)** A person arising out of any:
    - (i)** Refusal to employ that person;
    - (ii)** Termination of that person's employment; or
    - (iii)** Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person;
  - (b)** The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a) (i), (ii), or (iii)** above is directed; or

- (c) Any person due to alleged negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others.

**C. EXTENDED NON-OWNED AIRCRAFT AND WATERCRAFT**

Unless otherwise amended by separate endorsement to this Coverage Form, the following changes apply:

**1. Exclusion 2. g. in SECTION I - COVERAGE A is replaced by the following:**

- g.** "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 76 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".
- (6) An aircraft that is hired, chartered or loaned with a paid and licensed crew and is not owned in whole or in part by any insured

**2. The following paragraph is added to SECTION II - WHO IS AN INSURED:**

With respect to watercraft that you do not own that is less than 76 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission.

**D. EXPANDED DAMAGE TO PREMISES RENTED OR OCCUPIED BY YOU**

Unless coverage for Damage To Premises Rented To You under Coverage **A** is amended or excluded from the Coverage Form by separate endorsement, the following changes apply:

**1. The paragraph immediately following Exclusion 2.j. (6) in SECTION I - COVERAGE A, is replaced by the following:**

Paragraph **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, vandalism, weight of snow, ice or sleet, sprinkler leakage, or accidental discharge or leakage of water or steam) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III - Limits Of Insurance**.

**2. The last paragraph under Exclusion 2. in SECTION I - COVERAGE A, is replaced by the following:** Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, vandalism, weight of snow, ice or sleet, sprinkler leakage, or accidental discharge or leakage of water or steam to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in **Section III - LIMITS OF INSURANCE**.

**3. Paragraph 6. in SECTION III - LIMITS OF INSURANCE is deleted and replaced by the following:**

- 6.** Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage", while rented to you, or in the case of damage by fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, vandalism, weight of snow, ice or sleet, sprinkler leakage, or accidental discharge or leakage of water or steam, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one "occurrence".

Subject to all the terms of **SECTION III - LIMITS OF INSURANCE**, the Damage to Premises Rented To You Limit is the greater of:

- a. \$750,000; or
  - b. The amount shown in the Declarations for Damage to Premises Rented To You Limit.
4. Paragraph **4.b.(1)(b)** in **Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is replaced with the following:
- (b) That is fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, vandalism, weight of snow, ice or sleet, sprinkler leakage, or accidental discharge or leakage of water or steam Insurance for premises while rented to you or temporarily occupied by you with the permission of the owner.
5. Paragraph **9.a.** in **Section V - DEFINITIONS** is amended to read:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, vandalism, weight of snow, ice or sleet, sprinkler leakage, or accidental discharge or leakage of water or steam to premises, while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

#### **E. INCREASED SUPPLEMENTARY PAYMENTS**

Unless otherwise amended by separate endorsement to this Coverage Form, the following changes apply:

Paragraph **1.b.** and **1.d.** of **SECTION I - SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** are amended as follows:

- b. Up to \$3,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$750 a day because of time off from work.

#### **F. BROADENED NAMED INSURED**

1. Paragraph **3.** of **SECTION II - WHO IS AN INSURED** is deleted and replaced by the following:
  3. Any organization of yours, other than a partnership or joint venture, which is not shown in the Declarations, and of which you own a financial interest of more than 50% as of the effective date of this Coverage Form, will qualify as an insured subject to the following:
    - a. Newly acquired or formed organizations:
      - (1) Coverage A does not apply to "bodily injury" or "property damage" that occurred, and
      - (2) Coverage B does not apply to "personal and advertising injury" arising out of an offense, before you acquired or formed the new organization.
    - b. Existing and newly acquired or formed organizations will not qualify as an insured if it:
      - (1) Is also an insured under another policy, other than a policy written to apply specifically in excess of this policy; or
      - (2) Would be an insured under such policy but for its termination or exhaustion of its limits of insurance.

Each such organization remains qualified as an insured only while you own a financial interest of more than 50% in the organization during the policy period.

An additional premium will apply in accordance with our rules and rates in effect at the beginning of the policy period or on the date you acquired or formed the organization if subsequent to the inception date of the policy.

This provision does not apply if coverage for newly formed or acquired organizations is excluded either by the provisions of the Commercial General Liability Coverage Form or by any applicable endorsement.

2. Under **Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added to Condition **4.** Other Insurance, paragraph **b.** Excess Insurance.

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to an insured when this insurance is available solely by reason of your direct or indirect control of more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization.

#### **G. ENHANCED DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT CONDITION**

Unless otherwise amended by separate endorsement to this Coverage Form, the following paragraph is added to the end of Paragraph **2.** **Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

Your obligation to notify us as soon as practicable of an "occurrence", offense, claim or "suit" is satisfied if you send us written notice as soon as practicable after any of your "executive officers", directors, partners, insurance managers, legal representatives, "employees" or "volunteer workers" authorized by you to give or receive notices becomes aware of or should have become aware of such "occurrence", offense, claims or "suit".

If you report an "occurrence" or offense to your Workers Compensation insurer which later becomes a claim under this coverage form, failure to report such "occurrence" or offense to us at the time of the "occurrence" or offense will not be considered a violation of this Condition, if you notify us as soon as practicable when you become aware that the "occurrence" or offense has become a liability claim.

**H. UNINTENTIONAL FAILURE TO DISCLOSE ALL HAZARDS**

Unless otherwise amended by separate endorsement to this Coverage Form, the following paragraph is added to Paragraph 6. of **SECTION IV - CONDITIONS**:

Based on our reliance on your representations as to existing hazards, if you unintentionally fail to disclose all such hazards prior to the beginning of the policy period of this Coverage Form, we shall not deny coverage under this Coverage Form because of such failure.

**I. LIBERALIZATION CONDITION**

Unless otherwise amended by separate endorsement to this Coverage Form, the following paragraph is added to **SECTION IV - Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

**J. BROADENED BODILY INJURY DEFINITION**

Unless otherwise amended by separate endorsement to this Coverage Form, the following replaces paragraph 3. in **SECTION V - DEFINITIONS**:

3. "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death, shock, mental anguish or mental injury sustained by that person at any time resulting from the bodily injury, sickness or disease.

**K. BROADENED COVERAGE TERRITORY**

Unless otherwise amended by separate endorsement to this Coverage Form, paragraph 4.a. of "Coverage Territory" in **SECTION V - DEFINITIONS** is replaced with the following:

- a. The United States of America (including its territories and possessions), Canada, Bermuda, the Bahamas, the Cayman Islands, British Virgin Islands and Puerto Rico.

**L. LIMITED PRODUCT WITHDRAWAL EXPENSE**

**THIS PROVISION ONLY PROVIDES REIMBURSEMENT TO YOU FOR EXPENSES INCURRED BECAUSE OF A COVERED "PRODUCT WITHDRAWAL". THIS ENDORSEMENT DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.**

For the purpose of this coverage, the following is added to **Section I - Coverages**:

**SECTION I - LIMITED PRODUCT WITHDRAWAL EXPENSE COVERAGE**

**1. Insuring Agreement**

- a. We will reimburse you for "product withdrawal expenses" incurred by you because of a "product withdrawal" to which this insurance applies.  
The amount of such reimbursement is limited as described in Section III - Limits Of Insurance. No other obligation or liability to pay sums or perform acts or services is covered.
- b. This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:
- (1) You determine that the "product withdrawal" is necessary; or
- (2) An authorized government entity has ordered you to conduct a "product withdrawal".
- c. We will reimburse "product withdrawal expenses" only if:
- (1) The expenses are incurred within one year of the date the "product withdrawal" was initiated;
- (2) The expenses are reported to us within one year of the date the expenses were incurred; and
- (3) The product that is the subject of the "product withdrawal" was produced after the Cut-Off Date designated in the Schedule.
- d. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:

- (1) When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party; or
  - (2) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
  - e. "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".
- 2. Exclusions**
- This insurance does not apply to "product withdrawal expenses" arising out of:
- a. **Breach Of Warranty And Failure To Conform To Intended Purpose**  
Any "product withdrawal" initiated due to the failure of "your product" to accomplish their intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property other than "your product".
  - b. **Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark**  
Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.
  - c. **Deterioration, Decomposition Or Chemical Transformation**  
Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:
    - (1) An error in manufacturing, design, or processing;
    - (2) Transportation of "your product"; or
    - (3) "Product tampering".
  - d. **Goodwill, Market Share, Revenue, Profit Or Redesign**  
The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".
  - e. **Expiration Of Shelf Life**  
Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".
  - f. **Known Defect**  
A "product withdrawal", initiated because of a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.
  - g. **Otherwise Excluded Products**  
A recall of any specific products for which "bodily injury" or "property damage" is excluded under Coverage A - Bodily Injury And Property Damage Liability by endorsement.
  - h. **Governmental Ban**  
A recall when "your product" or a component contained within "your product" has been:
    - (1) Banned from the market by an authorized government entity prior to the policy period; or
    - (2) Distributed or sold by you subsequent to any governmental ban.
  - i. **Defense Of Claim**  
The defense of a claim or "suit" against you for liability arising out of a "product withdrawal".
  - j. **Third Party Damages, Fines And Penalties**  
Any compensatory damages, fines, penalties, "punitive damages", exemplary or other non-compensatory damages imposed upon the insured.
  - k. **Pollution-Related Expenses**  
Any loss, cost or expense due to any:
    - (1) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
    - (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

For the purposes of this coverage, **Section III - Limits Of Insurance** is replaced by the following:

**SECTION III - LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
  - b. "Product withdrawals" initiated; or
  - c. Number of "your products" withdrawn.
2. The most we will reimburse you for "product withdrawal expenses" is \$100,000 aggregate limit for the sum of all "product withdrawal expenses" incurred for all "product withdrawals" initiated during the policy period, unless higher limits of insurance are purchased and specified elsewhere in the policy Declarations or by endorsement.
3. **Deductible**  
We will only pay for the amount of "product withdrawal expenses" which are in excess of a \$1,000 deductible amount unless a higher deductible amount is specified elsewhere in the policy Declarations or by endorsement. The deductible applies separately to each "product withdrawal". The limits of insurance will not be reduced by the amount of this deductible.  
We may, or will if required by law, pay all or any part of any deductible amount, if applicable, to effect settlement of any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

For the purposes of this coverage, the **Duties In The Event Of Occurrence, Claim Or Suit Condition under Section IV - Conditions** is replaced by the following:

**2. Duties In The Event Of A "Defect" Or A "Product Withdrawal"**

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product withdrawal". To the extent possible, notice should include:
  - (1) How, when and where the "defect" was discovered;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".
- b. If a "product withdrawal" is initiated, you must:
  - (1) Immediately record the specifics of the "product withdrawal" and the date it was initiated; and
  - (2) Notify us as soon as practicable.You must see to it that we receive written notice of the "product withdrawal" as soon as practicable.
- c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product withdrawal". Any "profit" that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "product withdrawal expenses".
- d. You and any other involved insured must:
  - (1) Immediately send us copies of pertinent correspondence received in connection with the "product withdrawal";
  - (2) Authorize us to obtain records and other information; and
  - (3) Cooperate with us in our investigation of the "product withdrawal".

For the purposes of this coverage the following condition is added to **Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

**"Product Withdrawal" Concealment Or Fraud**

We will not provide coverage under Section I of this endorsement to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or
2. Intentionally concealed or misrepresented a material fact concerning a "product withdrawal" or "product withdrawal expenses" incurred by you under Section I of this endorsement.

The following definitions are added to the **Definitions** Section:

1. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.
2. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

When "product tampering" is known, suspected or threatened, a "product withdrawal" will be limited to those batches of "your product" which are known or suspected to have been tampered with.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

3. "Product withdrawal" means the recall or withdrawal:
  - a. From the market; or
  - b. From use by any other person or organization; of "your products", or products which contain "your products", because of known or suspected "defects" in "your product", or known or suspected "product tampering", which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
4. "Product withdrawal expenses" means those reasonable and necessary extra expenses, listed below, paid and directly related to a "product withdrawal":
  - a. Costs of notification;
  - b. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - c. Costs of overtime paid to your regular non-salaried employees and costs incurred by your employees, including costs of transportation and accommodations;
  - d. Costs of computer time;
  - e. Costs of hiring independent contractors and other temporary employees;
  - f. Costs of transportation, shipping or packaging;
  - g. Costs of warehouse or storage space; or
  - h. Costs of proper disposal of "your products", or products that contain "your products", that cannot be reused, not exceeding your purchase price or your cost to produce the products.
5. "Profit" means the positive gain from business operation after subtracting for all expenses.
6. "Punitive damages" means damages that may be imposed to punish a wrongdoer and to deter others from similar conduct.

#### **M. EMPLOYEE BENEFITS LIABILITY COVERAGE**

1. For the purpose of this coverage the following is added to **Section I - Coverages:**  
 Insuring Agreement
  - a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:
    - (1) The amount we will pay for damages is limited as described in Paragraph 4. of this coverage and
    - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
  - b. This insurance applies to damages only if:
    - (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
    - (2) The act, error or omission, takes place before the end of the policy period; and
    - (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph 6. of this endorsement.
  - c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:
    - (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
    - (2) When we make settlement in accordance with Paragraph 1.a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

**Exclusions**

This insurance does not apply to:

a. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage" or "personal and advertising injury".

c. **Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer.

d. **Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. **Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

(1) Failure of any investment to perform;

(2) Errors in providing information on past performance of investment vehicles; or

(3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. **Workers' Compensation And Similar Laws**

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. **ERISA**

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. **Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. **Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

2. For the purposes of this coverage:

- a. All references to Supplementary Payments - Coverages **A** and **B** are replaced by Supplementary Payments - Coverages **A**, **B** and **Employee Benefits Liability**.

- b. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

3. For the purposes of the coverage provided by this endorsement, Paragraph **2.** of **Section II - Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".

- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

4. For the purposes of this coverage, **Section III - Limits Of Insurance** is replaced by the following:

**Limits Of Insurance**

- a. The Limits of Insurance shown in paragraph **d.** below and the rules below fix the most we will pay regardless of the number of:

- (1) Insureds;
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
- (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

d. **Employee Benefits Liability Limits of Insurance**

Each Employee Limit: \$1,000,000

Aggregate Limit: \$2,000,000

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

**Deductible**

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in paragraph e. below as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
- (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"
- apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- e. **Employee Benefits Liability Deductible**  
Each Employee Deductible: \$1,000

5. For the purposes of this coverage, Conditions 2. and 4. of **Section IV - Commercial General Liability Conditions** are replaced by the following:

**2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
- (1) What the act, error or omission was and when it occurred; and
  - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b. If a "claim" is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
- 4. Other Insurance**  
If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:
- a. Primary Insurance**  
This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.
- b. Excess Insurance**
- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
- (a) No Retroactive Date is shown in the Schedule of this insurance; or
- (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.
- c. Method Of Sharing**  
If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.  
If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance of all insurers.
- 6. For the purposes of this coverage, the following Extended Reporting Period provisions are added,**  
**EXTENDED REPORTING PERIOD**
- a. You will have the right to purchase an Extended Reporting Period, as described below, if:
- (1) This endorsement is canceled or not renewed; or
- (2) We renew or replace this endorsement with insurance that:
- (a) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
- (b) Does not apply to an act, error or omission on a claims-made basis.
- b. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
- c. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.  
You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.  
We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
- (1) The "employee benefit programs" insured;
- (2) Previous types and amounts of insurance;
- (3) Limits of insurance available under this endorsement for future payment of damages; and
- (4) Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

- d. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.  
The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.  
Paragraph **4.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **4.c.**
7. For the purposes of this coverage, the following definitions are added to the **Definitions** Section:
  - a. "Administration" means:
    - (1) Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
    - (2) Handling records in connection with the "employee benefit program"; or
    - (3) Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.
  - b. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
  - c. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
  - d. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
    - (1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
    - (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
    - (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;
    - (4) Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
    - (5) Any other similar benefits designated in the Schedule or added thereto by endorsement.
8. For the purposes of this coverage, Definitions **5.** and **18.** in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** With regard to liability for Bodily Injury, Property Damage and Personal And Advertising Injury, unless we are prejudiced by the insured's or your failure to comply with the requirement, no provision of this Coverage Part requiring you or any insured to give notice of "occurrence", claim or "suit", or forward demands, notices, summonses or legal papers in connection with a claim or "suit" will bar coverage under this Coverage Part.

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\*///CG 01 03 06 06

ISO Properties, Inc. 2005

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES - DUTIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added to the Duties Condition:

We will notify the first Named Insured in writing of:

1. An initial offer to settle a claim made or "suit" brought against any insured ("insured") under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
2. Any settlement of a claim made or "suit" brought against the insured ("insured") under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

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\*///IL0168-201203

**d** Insurance Services Office, Inc., 2011

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES - CONDITIONS  
REQUIRING NOTICE**

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

With regard to liability for Bodily Injury and Property Damage, unless we are prejudiced by the insured's or your failure to comply with the requirement, no provision of this Coverage Part requiring you or any

insured to give notice of "occurrence", claim or "suit", or forward demands, notices, summonses or legal papers in connection with a claim or "suit" will bar coverage under this Coverage Part.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CONDITIONAL EXCLUSION OF TERRORISM  
(RELATING TO DISPOSITION OF FEDERAL  
TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

**SCHEDULE**

The **Exception Covering Certain Fire Losses** (Paragraph D) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part or Policy
Illinois Iowa Missouri North Carolina North Dakota Pennsylvania Virginia West Virginia Wisconsin	Commercial Property Coverage Part
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Applicability Of The Provisions Of This Endorsement**

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or
- A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

- Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
- Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
- Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:
    - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
    - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
  3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B.** The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks. "Terrorism" means activities against persons, organizations or property of any nature:
1. That involve the following or preparation for the following:
    - a. Use or threat of force or violence; or
    - b. Commission or threat of a dangerous act; or
    - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  2. When one or both of the following applies:
    - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- C.** The following exclusion is added:  
**EXCLUSION OF TERRORISM**  
We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.  
**But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**
1. The "terrorism" is carried out by means of the dispersal or application of radioactive

- material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
  2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
  3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
  4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
  5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.
- With respect to this Item **C.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Coverage Part or Policy.

- D. Exception Covering Certain Fire Losses**  
The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.  
If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements

that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

**E. Application Of Other Exclusions**

1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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ISO Properties, Inc. 2005

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE BENEFITS LIABILITY COVERAGE**

**This Endorsement Provides Claims Made Coverage  
Please Read The Entire Endorsement Carefully.**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA COVERAGE FORM

**NOTICE: Claims Made Coverage means that coverage provided by this endorsement is on a claims-made basis. This means that coverage is limited to claims for "damages" arising subsequent to the retroactive date shown in the Declarations for this coverage and first made against any insured during the policy period. Please read this endorsement carefully to determine rights, duties, coverage and coverage restrictions.**

Exclusion s. of paragraph 2, **Exclusions**, of **Section I - Coverage A - Bodily Injury And Property Damage** Liability does not apply to the extent coverage is provided for Employee Benefits Liability as provided in this endorsement.

### **SCHEDULE**

	\$1,000,000	Employee Benefits Liability Limit
Employee Benefits Liability Coverage may be limited to the limit of liability shown in the schedule above when a scheduled entry is made.		

**Schedule of Underlying Insurance is amended to include the following:**

Underlying Insurer: State Automobile Mutual Insurance Company  
Policy Number: PBP 2832159 00  
Policy Period: From: 06/05/2018 To: 06/05/2019

Limits of Liability:

Each Occurrence: \$1,000,000  
General Aggregate: \$2,000,000  
Retroactive Date: 06/05/2018

**A. The following is added to Section I - Insuring Agreements:**

#### **COVERAGE - EMPLOYEE BENEFITS LIABILITY**

##### **1. Insuring Agreement**

a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking damages for such an act, error or omission when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. At our discretion, we may investigate any report of an act, error or omission and settle any resultant "claim" or "suit", for which we have a duty to defend. But:

- (1) The amount we will pay for "ultimate net loss" is limited as described in Paragraph 2. (Section IV - Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Section II - Defense**

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- b. This insurance applies only if:
  - (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
  - (2) The act, error or omission, did not take place before the Retroactive Date, if any, applicable to "underlying insurance" nor after the end of the policy period; and
  - (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** of this endorsement.
- c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:
  - (1) When notice of such "claim" is received and recorded by any insured or by the "underlying insurer" or us if the limits of the "underlying insurance" have been used up, whichever comes first; or
  - (2) When we make settlement in accordance with Paragraph **1.a.** above or settlement is made by the "underlying insurer" with our agreement.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.
- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

- a. **Dishonest, Fraudulent, Criminal Or Malicious Act**  
 Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.
- b. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**  
 "Bodily injury", "property damage" or "personal and advertising injury".
- c. **Failure To Perform A Contract**  
 Damages arising out of failure of performance of contract by any insurer.
- d. **Insufficiency Of Funds**  
 Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".
- e. **Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**  
 Any "claim" based upon:
  - (1) Failure of any investment to perform;
  - (2) Errors in providing information on past performance of investment vehicles; or
  - (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".
- f. **Workers' Compensation And Similar Laws**  
 Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.
- g. **ERISA**  
 Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.
- h. **Available Benefits**  
 Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.
- i. **Taxes, Fines Or Penalties**  
 Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.
- j. **Employment-Related Practices**  
 Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

**B.** For the purposes of the coverage provided by this endorsement **Section II - Defense** is amended as follows:

- 1. Paragraphs **1.a.**, **4.** and **5.** do not apply.

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- C. For the purposes of the coverage provided by this endorsement, Paragraphs **1.b.** and **1.c.** of **Section III - Who Is An Insured** are replaced by the following:
1. Except for liability arising out of the ownership, maintenance or use of "covered autos":
    - b. Each of the following is also an insured:
      - (1) Each of your "employees" who is or was authorized to administer your "employee benefit program".
      - (2) Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
      - (3) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.
    - c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
      - (1) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
      - (2) Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section IV - Limits Of Insurance** is amended by the following:
1. The Policy Aggregate Limit shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
    - (a) Insureds;
    - (b) "Claims" made or "suits" brought or number of vehicles involved;
    - (c) Persons or organizations making "claims" or bringing "suits";
    - (d) Acts, errors or omissions; or
    - (e) Benefits included in your "employee benefit program".
  2. The Policy Aggregate Limit is the most we will pay for the sum of all "ultimate net loss" under:
    - a. Coverage **A**, Coverage **B**, combined, except "ultimate net loss" because of "bodily injury" and "property damage" arising from the "automobile hazard";
    - b. Each "occurrence" with regard to "ultimate net loss" because of "bodily injury" and "property damage" arising from the "automobile hazard";
    - c. Employee Benefits Liability because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program"; and
    - d. Other insuring agreements added to this coverage part by endorsement.
  3. This paragraph applies only if a separate Employee Benefits Liability limit is shown in the schedule above,  
 Subject to Paragraph **2.** above, the Employee Benefits Liability Limit is the most we will pay for the sum of all "ultimate net loss" because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program"  
 However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".  
 The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
- E. For the purposes of the coverage provided by this endorsement, Condition **5.** of **Section V - Conditions** is replaced by the following:
5. **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
    - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
      - (1) What the act, error or omission was and when it occurred; and
      - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
    - b. If a "claim" is made or "suit" is brought against any insured, you must:
      - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
      - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
    - c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added.

**EXTENDED REPORTING PERIOD**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
    - a. This endorsement is canceled or not renewed; or
    - b. We renew or replace this endorsement with insurance that:
      - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
      - (2) Does not apply to an act, error or omission on a claims-made basis.
  2. An Extended Reporting Period, as specified in Paragraph 1. above, lasts five years and is available only by endorsement for an additional charge.  
 You must give us a written request for the Extended Reporting Period within 60 days after the end of the policy period or the effective date of cancellation, whichever comes first.  
 We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
    - a. The "employee benefit programs" insured;
    - b. Previous types and amounts of insurance;
    - c. Limits of insurance available under this endorsement for future payment of damages; and
    - d. Other related factors.
 The additional premium will not exceed 100% of the annual premium for this endorsement.  
 The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.
  3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to "claims" to which the following applies:
    - a. The "claim" is first made during the Extended Reporting Period;
    - b. The acts, errors or omissions were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule.
  4. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium you owe us for coverage provided under this policy. Once in effect, the Extended Reporting Period may not be canceled.
- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to

**Section VI - Definitions:**

1. "Administration" means:
  - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
  - b. Handling records in connection with the "employee benefit program"; or
  - c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".
 However, "administration" does not include handling payroll deductions.
2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H.** For the purposes of the coverage provided by this endorsement, Definitions **5. 8. and 24.** in **Section VI - Definitions** are replaced by the following:
- 5.** "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
  - 8.** "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  - 24.** "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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## COMMERCIAL UMBRELLA COVERAGE FORM

PLEASE READ THIS POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS. WE HAVE NO DUTY TO PROVIDE COVERAGE UNLESS THERE HAS BEEN FULL COMPLIANCE WITH ALL THE CONDITIONS - SECTION V - OF THIS POLICY.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us", and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section III - Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI - Definitions.

### Section I - Insuring Agreements

In consideration of the payment of premium and in reliance upon representations you made to us during the process of obtaining this insurance and subject to the Limit of Insurance shown in the Declarations, and all the exclusions, terms and conditions of this policy, we agree with you as follows:

#### Coverage A - Bodily Injury And Property Damage Liability

##### 1. Insuring Agreement

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right to associate with the "underlying insurer" and the insured to defend against any "suit" seeking those damages. But:
  - (1) The amount we will pay for "ultimate net loss" is limited as described in Section IV - Limit Of Insurance;
  - (2) At our discretion, we may investigate any "occurrence" and settle any resulting "claim" or "suit";
  - (3) We have a right and duty to defend the insured against any "suits" to which this insurance applies:
    - (a) But which are not covered by any "underlying insurance" shown in the Declarations or by any other primary policies that may apply; or
    - (b) If the applicable limit of "underlying insurance" is exhausted.However, we will have no duty to defend the insured against any "suits" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply; and
  - (4) Both our right and duty to defend any existing or future "suits" end when we have exhausted the applicable Limit of Insurance in payment of judgments or settlements under Coverages A and B.No other obligation or liability to pay or perform acts or services is covered unless explicitly provided for under Section II - Defense.
- b. It is agreed that this insurance only applies if:
  - (1) The "bodily injury" or "property damage" occurs during the policy period of this policy;
  - (2) With respect to your liability (other than under a contract) for "bodily injury" to your "employees" arising out of and in the course of their employment by you:
    - (a) Any "bodily injury" by disease is caused or aggravated by the conditions of that employment; and
    - (b) An "employee's" last day of last exposure to conditions causing or aggravating such disease occurs during the policy period of this policy; and
  - (3) The "bodily injury" or "property damage" is caused by an "occurrence", and such "occurrence" takes place in the "coverage territory".
  - (4) Prior to the policy period, no insured listed under Paragraph 1. of Section III - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section III - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section III - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. "Ultimate net loss" because of "bodily injury" includes damages sought by any person or organization for care or loss of services resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" either expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property;

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That you would have in the absence of the contract or agreement; or
- (2) Assumed by you in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than you will be deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract";
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged; and
  - (c) The indemnitor insured's "underlying insurance" also deems these expenses to be damages;

### c. Any obligation of the insured under:

#### (1) Workers' Compensation And Similar Laws

Any workers' compensation, unemployment compensation or disability benefits law or any similar law.

#### (2) E.R.I.S.A.

The Employee's Retirement Income Security Act (E.R.I.S.A.), and amendments thereto or any similar federal, state, or local statute.

### d. Employers Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister, or other dependents of that "employee" as a consequence of d.(1) above.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

However, this exclusion d.(1) and d.(2) applies only with respect to:

- (1) "Bodily injury" to any person in work subject to the Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950), the Non-appropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), and any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
- (2) "Bodily injury" to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an "employee" due to "bodily injury" arising out of or in the course of employment, or any amendments to those laws;
- (3) "Bodily injury" to a master or member of the crew of any vessel;
- (4) Fines or penalties imposed for violation of federal or state law;
- (5) Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued there under, and any amendments to those laws;
- (6) Punitive or exemplary damages because of "bodily injury" to any "employee" employed in violation of law;

- (7) "Bodily injury" to an "employee" while employed in violation of law with the insured's actual knowledge or the actual knowledge of any of your "executive officers"; and
- (8) "Bodily injury" to an "employee" if such employment is subject to the workers compensation laws of the states of Massachusetts, Missouri, New Jersey, New York or any other state which requires unlimited Employers Liability coverage in conjunction with primary Workers Compensation policies.
- (9) "Defense expense" for allegations of an employer's intentional injury to employees that results in "bodily injury" whether or not the Ohio Employers Intentional Injury Defense Expense is written as "underlying insurance".

This exclusion **d.** applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of such injury.

With respect to your liability (other than under a contract or agreement) for "bodily injury" to your "employees" arising out of and in the course of their employment by you, exclusions **f.**, **g.**, and **h.** do not apply.

**e. Employment Related Practices**

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Failure to promote an employee;
  - (c) Discipline, demotion, negligent evaluation or negligent reassignment;
  - (d) Termination of that person's employment;
  - (e) Employment-related practices, policies, acts or omissions, including, without limitation, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) Oral or written publication of materials that slanders, defames, or libels an "employee" or violates or invades an "employee's" right of privacy.
- (2) The spouse, child, parent, brother or sister, or any other dependents of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraph e.(1) above is directed.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of such "bodily injury".

**f. Pollution:**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of "pollutants":
  - (a) That are, or ever were, contained in any property that is, or ever was:
    - (i) Being transported or towed by, handled, or handled for movement into, onto or from any "auto";
    - (ii) Otherwise in the course of transit by or on behalf of the insured; or
    - (iii) Being stored, disposed of, treated or processed in or upon any "auto";
  - (b) At or from any premises, site or location which is or was at any time, owned or occupied by, or rented or loaned to, any insured. However, this subparagraph **f.1.(b)** does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your applicable "underlying insurance" as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than the additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (c) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (d) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or

- (ii) Any person or organization for whom you may be legally responsible; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph **f.(1)(e)** does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment", any "auto" covered by applicable "underlying insurance" or the parts of either, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire."
- (f) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) "Claim" or "suit" by or on behalf of any governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph (2) does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

Subparagraph (a) of part (1) of this exclusion f. does not apply if any applicable "underlying insurance" shown in the Schedule of Underlying Insurance provides coverage at the full limits of liability shown therein for such losses as are described in subparagraph (a) of part (1) for any "autos" involved in such operations.
- (3) **Exceptions:**
  - (a) Paragraphs **f.(1)(c) through f.(1)(f)** of this exclusion do not apply to pollutants that are not in or upon a "covered auto" if:
    - (i) The pollutants or any property in which the pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of a "covered auto"; and
    - (ii) The discharge, dispersal, release or escape of the pollutants is caused directly by such upset, overturn or damage.

**g. Aircraft Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft or watercraft owned or operated by or chartered, rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrong doing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of aircraft, or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) Watercraft while ashore on premises you own or rent;
- (2) Watercraft you do not own that is:
  - (a) Less than 26 feet long or the extent such coverage is provided by the "underlying insurance" listed in the Schedule of Underlying Insurance; and
  - (b) Not being used to carry persons or property for a charge; or

- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (4) Aircraft that is:
  - (a) Chartered by, loaned to, or hired by you with a paid crew; and
  - (b) Not owned by any insured.
- h. Racing Activities**  
 "Bodily injury" or "property damage" arising out of the use of any "mobile equipment" or "auto" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.
- i. War**  
 "Bodily injury" or "property damage" however caused, arising, directly or indirectly, out of:
  - (1) War, including undeclared or civil war;
  - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- j. Damage To Property**  
 "Property damage" to:
  - (1) Property:
    - (a) You own, rent, or occupy; including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration, or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property; or
    - (b) Owned or transported by the insured and arising out of the ownership, maintenance or use of a "covered auto".
  - (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
  - (3) Property loaned to you;
  - (4) Personal property in the care, custody or control of any insured;
  - (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
  - (6) That particular part of any property that must be restored, repaired, or replaced because "your work" was incorrectly performed on it.

Paragraph **j.(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **j.(3), j.(4), j.(5)** and **j.(6)** of this exclusion do not apply to liability assumed under a railroad sidetrack agreement.

Paragraphs **j.(3),** and **j.(4)** of this exclusion do not apply to liability assumed under a written Trailer Interchange agreement.

Paragraph **j.(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".
- k. Damage To your Product**  
 "Property damage" to "your product" arising out of it or any part of it.
- l. Damage To your Work**  
 "Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".  
 This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.
- m. Damage To Impaired Property Or Property Not Physically Injured**  
 "Property damage" to "impaired property" or property that has not been physically injured, arising out of:
  - (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
  - (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.
- n. Recall Of Products, Work Or Impaired Property**  
 Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

If such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury."

**p. Asbestos**

- (1) "Bodily injury" or "property damage" arising out of, resulting from, caused by, or contributed to:

- (a) Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;

- (b) The use of asbestos in constructing or manufacturing any goods, product or structure;

- (c) The removal of asbestos from any goods, product or structure;

- (d) The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;

- (2) Any damages or any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority requirement that any insured or any other person or entity should be, or should be responsible for:

- (a) Assessing the presence, absence or amount or effects of asbestos;

- (b) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating asbestos; or

- (c) Responding to asbestos in any way other than as described in subparagraphs (1) and (2) above.

- (3) Any actual or alleged negligence in hiring, training, supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with actions described in subparagraphs (1) and (2) of this exclusion; or

- (4) Any obligation to share damages with or repay someone else who must pay damages in connection with any of the subsections above.

**q. Lead**

"Bodily injury" or "property damage" arising out of any form of lead or lead compounds. In addition, this insurance does not apply to any loss, cost or expense arising out of:

- (1) Any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of lead or lead compounds;

- (2) Any "claim" or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead or lead compounds in any form;

- (3) Any actual or alleged negligence in hiring, training, supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with lead or lead compounds; or

- (4) Any obligation to share damages with or repay someone else who must pay damages in connection with lead or lead compounds.

**r. Professional Services**

"Bodily injury", "property damage", acts, errors or omissions, or "wrongful acts" arising out of the rendering of or failure to render any professional services. But, with exception of coverage excluded under 2.z. below, this exclusion does not apply to the extent such coverage is provided by the "underlying insurance" listed in the Schedule of Underlying Insurance.

**s. Employee Benefits Liability**

Any obligation arising out of the administration of any employee benefit plan.

**t. Directors, Officers, and Trustees Liability**

Any "wrongful act" of any director, "executive officer", or trustee of any insured in the discharge or performance of their duties as such.

**u. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;

- (2) The furnishing of alcoholic beverages to a person under legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages. This exclusion u. applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**v. Nuclear Energy**
**w. "Bodily injury" or "property damage":**

- (1) With respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
  - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
  - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- (3) Resulting from the "hazardous properties" of "nuclear material", if:
  - (a) The "nuclear material":
    - (i) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
    - (ii) Has been discharged or dispersed therefrom;
  - (b) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (c) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this subparagraph (c) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

- (1) "Hazardous properties" include radioactive, toxic or explosive properties;
- (2) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (3) "Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (4) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- (5) "Waste" means any waste material:
  - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and
  - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility";
- (6) "Nuclear facility" means:
  - (a) Any "nuclear reactor";
  - (b) Any equipment or device designed or used for:
    - (i) Separating the isotopes of uranium or plutonium;
    - (ii) Processing or utilizing "spent fuel"; or
    - (iii) Handling, processing or packaging "waste";
  - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
  - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
- (7) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (8) "Property damage" includes all forms of radioactive contamination of property.

**w. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software,

hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**x. Recording And Distribution Of Material Or Information in Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003, or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**y. Auto Coverages**

- (1) "Bodily injury" or "property damage" arising out of the ownership, maintenance or use of any "auto" which is not a "covered auto"; or
- (2) Any loss, cost or expense payable under or resulting from any first party physical damage coverage; no-fault law; personal injury protection or auto medical payments coverage; or uninsured or underinsured motorist law.

**z. Pre-Funded Funeral Services**

"Bodily injury", "property damage", acts, errors, or omissions, or "wrongful acts" arising out of consultation for, marketing or selling of insurance products for pre-funded funeral services.

**aa. Data Breach or Compromise**

- (1) "Bodily injury" or "property damage" arising out of the loss, theft, release, accidental release, publication, accidental publication, disposal, or abandonment of "personally identifying information":
  - (a) Of a current, former or prospective customer, client, member, owner, partner, director, stockholder, employee or any other person;
  - (b) That is in the care, custody or control of a third party to which you have directly or indirectly turned over such information for any reason.
- (2) The exclusion described in **aa.(1)** above also applies:
  - (a) To any demand, action, imposed cost or expense brought by or on behalf of an organization, business, institution, governmental entity or any other party.
  - (b) If you aggregate or sell "personally identifying information" about individuals as part of your business; and
  - (c) If you store, process, transmit or transport records that include "personally identifying information" of individuals for another entity;
- (3) "Personally identifying information" means information that could be used to commit fraud or other illegal activity involving the credit or identity of an individual. This includes but is not limited to Social Security numbers or account numbers correlated with names and addresses.

**Coverage B - Personal And Advertising Injury Liability**

**1. Insuring Agreement**

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "personal and advertising injury" to which this insurance applies. We will have the right to associate with the "underlying insurer" and the insured to defend against any "suit" seeking those damages. But:
  - (1) The amount we will pay for the "ultimate net loss" is limited as described in Section **IV** - Limit Of Insurance;
  - (2) At our discretion, we may investigate any offense and settle any resulting "claim" or "suit";
  - (3) We have a right and duty to defend the insured against any "suits" to which this insurance applies:
    - (a) But which are not covered by any "underlying insurance" shown in the Declarations or by any other primary policies that may apply; or
    - (b) If the applicable limit of "underlying insurance" is exhausted.
 However, we will have no duty to defend the insured against any "suits" seeking damages for "personal and advertising injury" to which this insurance does not apply; and
  - (4) Both our right and duty to defend any existing or future "suits" end when we have exhausted the applicable Limit of Insurance in payment of judgments or settlements under Coverages **A** and **B**.
 No other obligation or liability to pay or perform acts or services is covered unless explicitly provided for under Section **II** - Defense.

- b. This insurance applies only to "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. "Personal and advertising injury"

#### (1) **Knowing Violation Of Rights Of Another**

Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";

#### (2) **Material Published With Knowledge Of Falsity**

Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;

#### (3) **Material Published Prior To Policy Period**

Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;

#### (4) **Criminal Acts**

Arising out of a criminal act committed by or at the direction of the insured;

#### (5) **Contractual Liability**

For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to:

(a) Liability for damages that you would have in the absence of the contract or agreement.

(b) Liability for false arrest, detention, or imprisonment assumed by you in a contract or agreement.

#### (6) **Breach Of Contract**

Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

#### (7) **Quality Or Performance Of Goods - Failure To Conform To Statements**

Arising out of the failure of goods, products or services to conform to any statement of quality or performance made in your "advertisement";

#### (8) **Wrong Description Of Prices**

Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

#### (9) **Infringement Of Copyright, Patent, Trademark Or Trade Secret**

Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### (10) **Insureds In Media And Internet Type Businesses**

Committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web-sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 17.a. b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

#### (11) **Electronic Chatrooms Or Bulletin Boards**

Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

#### (12) **Unauthorized Use Of Another's Name Or Product**

Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

#### (13) **Pollution**

Arising out of the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of "pollutants" at any time;

#### (14) **Asbestos**

Arising out of:

(a) Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;

(b) The use of asbestos in constructing or manufacturing any good, product or structure;

(c) The removal of asbestos from any good, product or structure;

- (d) The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;
- (e) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts (14) (a) through (14) (d) of this exclusion; or
- (f) Any obligation to share damages with or repay someone else who must pay damages in connection with parts (14) (a) through (14) (e) of this exclusion.

**(15) Lead**

Arising out of any form of lead or lead compounds. In addition, any loss, cost or expense arising out of:

- (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of lead or lead compounds;
- (b) "Claim" or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead or lead compounds in any form;
- (c) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with lead or lead compounds; or
- (d) Any obligation to share damages with or repay someone else who must pay damages in connection with lead or lead compounds.

**(16) Professional Services**

Arising from acts, errors, or omissions or "wrongful acts" in resulting from the rendering of or failure to render any professional services. But, with exception of coverage excluded under 2.a.(21) below, this exclusion does not apply to the extent such coverage is provided by the "underlying insurance" listed in the Schedule of Underlying Insurance.

**(17) Directors, Officers, and Trustees**

Arising out of any "wrongful act" of any director, "executive officer", or trustee of any insured in the discharge or performance of their duties as such.

**(18) Employment-Related Practices**

To:

- (a) A person arising out of any:
  - (i) Refusal to employ that person;
  - (ii) Failure to promote an employee;
  - (iii) Discipline, demotion, negligent evaluation or negligent reassignment;
  - (iv) Termination of that person's employment;
  - (v) Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
  - (vi) Oral or written publication of materials that slanders, defames, or libels an "employee" or violates or invades an "employee's" right of privacy.
- (b) The spouse, child, parent, brother or sister, or any other dependents of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in paragraph (18) (a) of this exclusion were directed.
- (c) This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of such "personal and advertising injury".

**(19) War**

However caused, arising, directly or indirectly, out of:

- (a) War, including undeclared or civil war;
- (b) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**(20) Distribution Of Material In Violation Of Statutes**

Arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (a) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law, or
- (b) The CAN SPAM Act of 2003, including any amendment of or addition to such law, or
- (c) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(d) Any federal, state or local statute, ordinance, or regulation, other than the TCPA, CAN SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information.

**(21) Pre-Funded Funeral Services**

Caused by acts, errors, or omissions, or "wrongful acts" arising out of the consultation for, marketing, or selling of insurance products for pre-funded funeral services.

**(22) Data Breach or Compromise**

- a. Arising out of the loss, theft, release, accidental release, publication, accidental publication, disposal, or abandonment of "personally identifying information":
  - (1) Of a current, former or prospective customer, client, member, owner, partner, director, stockholder, employee or any other person.
  - (2) That is in the care, custody or control of a third party to which you have directly or indirectly turned over such information for any reason.
- b. The exclusion described in a. also applies:
  - (1) To any demand, action, imposed cost or expense brought by or on behalf of an organization, business, institution, governmental entity or any other party;
  - (2) If you aggregate or sell "personally identifying information" about individuals as part of your business; and
  - (3) If you store, process, transmit or transport records that include "personally identifying information" of individuals for another entity;
- c. "Personally identifying information" means information that could be used to commit fraud or other illegal activity involving the credit or identity of an individual. This includes but is not limited to Social Security numbers or account numbers correlated with names and addresses.
- b. Any loss, cost or expense arising out of any:
  - (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
  - (2) "Claim" or "suit" by or on behalf of any governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**Section II - Defense**

1. When we have the duty to defend, or we investigate or settle any offense, "occurrence", "claim" or "suit", and then only to the extent that "underlying insurance" is not responsible for the costs shown below in items
  - a. through f., we will pay on behalf of the insured:
    - a. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations related to an accident arising out of the use of any vehicle to which this policy applies. We do not have to furnish these bonds.
    - b. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
    - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim" or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
    - d. All costs taxed against the insured in any "suit" we defend.
    - e. "Pre-judgment interest" awarded against the insured on that part of any judgment covered under this policy. If we offer the applicable Limit of Insurance in settlement of a "claim" or "suit", we will not pay for any "pre-judgment interest" imposed or earned after the date of such offer.
    - f. All interest earned on that part of any judgment within the Limit of Insurance after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of any judgment that is within the applicable Limit of Insurance.
2. Payments under this section of the policy, as well as payments for all expenses we incur, will not reduce the Limit of Insurance.
3. When we have the right but not the duty to defend the insured and elect to participate in the defense, we will pay our own expenses but will not contribute to the expenses of the insured or the "underlying insurer".
4. If we defend you against a "suit" and your indemnitee is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by you;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by you in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the offense or "occurrence" are such that no conflict appears to exist between the your interests and the interests of the indemnitee;
  - e. You and the indemnitee ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend you and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".
- So long as the conditions in this subparagraph f. are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid under Section II - Defense. Notwithstanding the provisions of paragraph 2.b.(2) of Coverage A. - Bodily Injury And Property Damage Liability (Section I), such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.
- 5. Our obligation to defend your indemnitee and to pay for attorneys' fees and necessary litigation expenses under Section II - Defense ends when:
    - a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
    - b. The conditions set forth above, or the terms of the agreement described in paragraph 3.f. above, are no longer met by the indemnitee.

### Section III - Who Is An Insured

- 1. Except for liability arising out of the ownership, maintenance or use of "covered autos":
  - a. If you are designated in the Declarations as:
    - (1) An individual, you, as a natural person, and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
    - (2) A partnership or joint venture, you are an insured. Except with respect to any "auto", your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
    - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
    - (4) An organization other than a partnership, or joint venture, or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
    - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
  - b. Each of the following is also an insured:
    - (1) Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
      - (a) "Bodily injury" or "personal and advertising injury":
        - (i) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or while performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
        - (ii) To the spouse, child, parent, brother or sister, or other dependent of that co-"employee" as a consequence of paragraph (a)(i) above;
        - (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a)(i) or (ii) above; or

- (iv) Arising out of his or her providing or failing to provide professional health care services.
- (b) "Property damage" to property:
  - (i) Owned, occupied or used by; or
  - (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- (2) Any person (other than your "employee" or "volunteer worker") or any organization while acting as your real estate manager
- (3) Any person or organization having proper temporary custody of your property if you die, but only:
  - (a) With respect to liability arising out of the maintenance or use of that property; and
  - (b) Until your legal representative has been appointed.
- (4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
- c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a named insured if there is no other similar insurance available to that organization. However:
  - (1) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period set forth in the Declarations, whichever is earlier;
  - (2) Coverage is applicable only in excess of the Limits of "underlying insurance" as shown in the Declarations, and you must add such organization to your "underlying insurance" as soon as practicable, advising us of such additions. We may then make adjustment of premium charges as called for in Condition 9 - Maintenance of Underlying Insurance;
  - (3) Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - (4) Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- 2. No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a named insured in the Declarations. With respect to any "covered auto", any person is an insured while operating such "covered auto" with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the "covered auto".  
However, except with respect to your partners, "employees", or members of their households, the owner or anyone else from whom you hire or borrow a "covered auto" is an insured only if that "covered auto" is a trailer connected to a "covered auto" you own.  
But no person or organization is an insured under this paragraph 2. for:
  - a. "Bodily injury" to a co-"employee" of the person operating the "covered auto";
  - b. "Property damage" to property owned by the employer of any person who is an insured under this provision;
  - c. Any "covered auto" you hire or borrow from one of your partners, "employees" or members of their households, if they are the owner of such "covered auto", unless:
    - (1) Insurance is afforded to that owner for such "covered auto" by "underlying insurance", or would be afforded under such "underlying insurance" but for exhaustion of such policy's limits of insurance; or
    - (2) Such "covered auto" is a trailer connected to an "covered auto" you own;
  - d. Any "covered auto" being used by a person employed in the business of selling, servicing, repairing, or parking "autos" unless they are your "employee"; or
  - e. The movement of property to or from an "covered auto" except your "employees" or partners, the lessees or borrowers of such "covered auto", and any "employees" of such lessees or borrowers.
- 3. Any additional insured under any policy of "underlying insurance" will automatically be an insured under this insurance.  
If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured will not exceed either the:
  - a. Minimum limit of insurance you agreed to provide, less any amounts payable by any "underlying insurance"; or
  - b. Limit of insurance available under this policy;
 whichever is less,  
Additional insured coverage provided by this insurance will not be broader than coverage provided by the "underlying insurance".

**Section IV - Limits Of Insurance**

1. The Policy Aggregate Limit shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. "Claims" made or "suits" brought, or number of vehicles involved; or
  - c. Persons or organizations making "claims" or bringing "suits".
2. The Policy Aggregate Limit is the most we will pay for:
  - a. The sum of all "ultimate net loss" under Coverage **A** and Coverage **B** combined, except "ultimate net loss" because of "bodily injury" and "property damage" arising from the "automobile hazard"; and
  - b. Each "occurrence" with regard to "ultimate net loss" because of injury and damage arising from the "automobile hazard".
3. If the Policy Aggregate Limit is paid prior to this policy's termination date for losses other than losses arising from the "automobile hazard", this policy's premium is fully earned.
4. If there is "underlying insurance" with a policy period that is non-concurrent with the policy period of this Commercial Umbrella Coverage Form, the "retained limit(s)" will only be reduced or exhausted by payments for:
  - a. "Bodily injury" or "property damage" which occurs during the policy period of this Coverage Form; or
  - b. "Personal and advertising injury" for offenses that are committed during the policy period of this Coverage Form.

However, if any "underlying insurance" is written on a claims-made basis, the "retained limit(s)" will only be reduced or exhausted by claims for that insurance that are made during the policy period, or any Extended Reporting Period, of this Coverage Form.
5. The Policy Aggregate Limit applies separately to each consecutive annual period, and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

**Section V - Conditions**

1. **Appeals.** In the event the insured or any "underlying insurer" elects not to appeal a judgment for damages covered by this policy and which exceeds the "retained limit", we may elect, but have no duty, to do so. We shall be liable, in addition to the Limit of Insurance, for all costs and expenses incurred and interest on judgments incidental to such an appeal and for all such costs, expenses and interest on appeals in connection with our right and duty to defend the insured under this policy.
2. **Bankruptcy.** Bankruptcy, insolvency, or receivership of the insured, the insured's estate or of any "underlying insurer" will not relieve us of our obligations under this policy. With regard to bankruptcy, insolvency, or receivership of any "underlying insurer", this policy shall not apply as a replacement of such bankrupt or insolvent insurer and our Limits of Insurance will apply only in excess of the required Limit(s) of Insurance stated in the Declarations of this policy.
3. **Cancellation.**
  - a. The first named insured shown in the Declarations may cancel this policy by delivering it to us or any of our authorized agents or by sending us written notice stating when the future cancellation will take effect. Cancellation will become effective the date of delivery of the policy to us or upon such future date requested by the first named insured.
  - b. We may cancel this policy by mailing or delivering to the first named insured written notice of cancellation at least:
    - (1) Ten (10) days before the effective date of cancellation if we cancel because of nonpayment of premium whether payable directly to us or payable to our agents or others under any installment payment plan, premium finance plan, extension of credit or other payment plan; or
    - (2) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
  - c. We will mail or deliver our notice to the first named insured's last mailing address known to us.
  - d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  - e. If this policy is canceled, we will send the first named insured any premium refund due. If we or the first named insured cancel, the refund will be pro rata. The cancellation will be effective even if we have not made or offered any refund of unearned premium.
  - f. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. **Changes.** This policy contains all the agreements between you and us concerning the insurance afforded. The first named insured shown in the Declarations is authorized to make changes in the terms of this policy upon our giving written consent. This policy's terms can be amended or waived only by endorsement to this policy issued by us and made a part of this policy.

**5. Duties In The Event Of Occurrence, Offense, Claim Or Suit.**

- a. You must see to it that we or our authorized representative are notified as soon as practicable of an "occurrence" or an offense which may result in a "claim". To the extent possible, notice should include:
  - (1) How, when, and where the "occurrence" or alleged offense took place;
  - (2) The insured's name and address;
  - (3) The names and addresses of any injured persons or witnesses; and
  - (4) The nature and location of any injury or damage arising out of the "occurrence" or offense.Notice of an "occurrence" or an offense is not notice of a "claim".
- b. If a "claim" is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
  - (2) Notify us as soon as practicable.You must see to it that we also receive written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other insured involved in such "claim" or "suit" must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- e. No insureds shall in any way jeopardize our rights after an "occurrence" or offense.

**6. Examination of Your Books and Records.** We may examine and audit your books and records as they relate to this policy at any time during the policy period set forth in the Declarations and up to three years afterward.**7. Inspection and Surveys.**

- a. We have the right but are not obligated to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes to such conditions.
- b. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We also do not warrant that conditions:
  - (1) Are safe or healthful; or
  - (2) Comply with laws, regulations, codes or standards.
- c. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

**8. Legal Action Against Us.**

- a. No person or organization has a right under this policy:
  - (1) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
  - (2) To sue us under this policy unless all of its terms have been fully complied with.
- b. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**9. Maintenance of Underlying Insurance.**

- a. You must keep the "underlying insurance" listed in the Schedule of "underlying insurance" in the Declarations, or renewal or replacement policies not more restrictive in their terms and conditions, in full force and effect throughout the policy period. The Limits of Insurance must be maintained except for reduction of the aggregate limit due to payment of claims, settlement or judgments. You must also inform us within 30 days of any termination of any policy of "underlying insurance", or replacement of any policy of "underlying insurance".
- b. You must notify us within 30 days of any changes to the terms or limits of any "underlying insurance" policies. We may adjust premium charges under this policy from the effective date of such changes to the terms of any "underlying insurance".
- c. Your failure to comply with the foregoing paragraphs **9.a.** and **9.b.** will not invalidate this policy, but in the event of such failure, we shall be liable under this policy only to the extent that we would have been liable had you complied with these obligations.

- 10. Other Insurance.** If other valid and collectible insurance is available to the insured for "ultimate net loss" we cover under this policy, our obligations under this policy are limited as follows:
- This insurance is excess over:
    - Any other insurance, whether primary, excess, contingent or on any other basis, except such insurance as is specifically purchased to apply in excess of this policy's Limit of Insurance; and
    - Any other insurance available to the insured, whether primary or excess, covering liability for damages arising out of premises or operations for which you have been added as an additional insured.
  - We will indemnify only our share of the amount of "ultimate net loss", if any, that exceeds the sum of:
    - The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
    - The total of all deductible and self-insured amounts under this or any other insurance.
  - We will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we may undertake to do so, but we will be entitled to the insured's rights against all other insurers in accordance with provisions of Condition **16** below.
- 11. Premium Audit.**
- We will compute all premiums for this policy in accordance with our rules and rates.
  - Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first named insured, but not if such audit premium is less than the Minimum Premium shown in the Declarations.
  - The first named insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
- 12. Premiums.** The first named insured shown in the Declarations:
- Is responsible for the payment of all premiums; and
  - Will be the payee for any return premiums we pay.
- 13. Representations.** By accepting this policy, you agree that:
- The information shown on the Declarations is accurate and complete;
  - The information is based upon representations you made to us in your application(s) for this policy;
  - We have issued this policy in reliance upon your representations; and
  - Except as otherwise provided in this policy or by law, this policy is void if you conceal or misrepresent any material facts concerning this policy, in your application for this policy or otherwise.
- 14. Separation of Insureds.** Except with respect to the Limit of Insurance, and any rights or duties specifically assigned to the first named insured, this insurance applies:
- As if each named insured were the only named insured; and
  - Separately to each insured against whom "claim" is made or "suit" is brought.
- 15. Sole Agent.** The named insured first shown in the Declarations is authorized to act on behalf of all insureds with respect to giving or receiving notice of cancellation or nonrenewal, receiving refunds, and agreeing to any changes in this policy.
- 16. Transfer Of Rights Of Recovery Against Others To Us.**
- If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and
  - Any recoveries shall be applied first to reimburse any interests (including the insured) that may have paid any amounts in excess of our liability under this policy; then to reimburse us for any payment hereunder; and lastly to reimburse such interests (including the insured) as to which this policy is excess, as are entitled to the residue, if any.
  - When we assist in pursuit of the insured's rights of recovery, reasonable expenses resulting therefrom shall be apportioned among all interests in the ratio of their respective recoveries.
  - If there should be no recovery as a result of proceedings instituted solely at our request, we shall bear all expenses of such proceedings.
- 17. Transfer of Your Rights and Duties Under This Policy.**
- Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.
  - If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**18. When Loss Payable.** Our liability for any portion of "ultimate net loss" shall not apply until the insured or any "underlying insurer" shall be obligated to actually pay the full and complete amount of the "retained limit". When "ultimate net loss" has been finally determined, the insured may make "claim" for payment under this policy as soon as practicable thereafter. Such insured's obligation to pay any amount of "ultimate net loss" must have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant or the claimant's legal representative and us.

**19. When We Do Not Renew.**

- a. If we decide not to renew this policy, we will mail or deliver to the first named insured shown in the Declarations written notice of the non-renewal not less than 30 days before the expiration date or such other period as may be required by law.
- b. If notice is mailed, proof of mailing will be sufficient proof of notice.

**Section VI - Definitions**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporter is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semi trailer designed for travel on public roads, including any attached machinery or equipment, or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.  
However, "auto" does not include "mobile equipment".
3. "Automobile hazard" means liability arising out of the ownership, maintenance, use or entrustment of any "covered auto". Use includes operation and "loading or unloading".
4. "Bodily injury" means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.
5. "Claim" means any demand upon the insured for damages or services alleging liability of the insured as the result of an "occurrence" or offense.
6. "Covered auto" means only those "autos" to which "underlying insurance" applies.
7. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in a. above;
    - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

If such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work", or by your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of a contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;

- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement; or
- f. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".
- g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law for injury to persons or property in the absence of any contract or agreement.

Paragraph **12.f.** and **g.** does not include that part of any contract or agreement:

- (1) That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **12.g.(2)** above and supervisory, inspection, architectural or engineering activities ;
  - (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees," if the "auto" is loaned, leased or rented with a driver; or
  - (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire, harmless for your use of a "covered auto" over a route or territory that person or organization is authorized to serve by public authority.
- 13.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 14.** "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered; but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
- 15.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in **a.**, **b.**, **c.**, or **d.** immediately preceding that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise or lower workers;
  - f. Vehicles not described in **a.**, **b.**, **c.**, or **d.** of this section maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**16. "Occurrence" means:**

- a. With respect to "bodily injury" or "property damage", an accident, including continuous or repeated exposure to substantially the same general harmful conditions. This does not apply to your liability (other than under a contract or agreement) for "bodily injury" to your "employees" arising out of and in the course of employment by you; or
- b. With respect to your liability (other than under a contract or agreement) for "bodily injury" to your "employees" arising out of and in the course of employment by you, "bodily injury" caused by accident or disease.

**17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:**

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement."

**18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including, without limitation, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes, without limitation, materials to be recycled, reconditioned or reclaimed.**

**19. "Pre-judgment interest" means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment whether or not made part of the settlement, verdict, award or judgment.**

**20. "Products-completed operations hazard":**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed;
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
    - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Those products or operations for which the applicable classification, under a policy of "underlying insurance", states that products-completed operations are subject to that policy's General Aggregate Limit.

**21. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.  
 For the purposes of this insurance, electronic data is not tangible property.  
 As used in this definition, electronic data means information, facts or programs stored as or on created or used on, or transmitted to or from computer software, including systems and application software, hard or floppy disks, CD-ROMS, tapes drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
22. "Retained limit" means the greater of:
- The sum of amounts applicable to any "claim" or "suit" from:
    - The available limits of "underlying insurance"; and
    - Other collectible primary insurance; or
  - The "self-insured retention".
23. "Self-insured retention" means the dollar amount listed in the Declarations that will be paid by the insured before this insurance becomes applicable only with respect to "occurrences" or offenses not covered by the "underlying insurance". The "self-insured retention" does not apply to "occurrences" or offenses which would have been covered by "underlying insurance" but for the exhaustion of applicable limits
24. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies is alleged. "Suit" includes:
- An arbitration proceeding in which such damages are claimed and to which the insured must submit or submits with our consent; or
  - Any other alternative dispute resolution proceeding in which such damages is claimed and to which the insured must submit or submits with our consent.
25. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
26. "Ultimate net loss" means the total amount of damages for which the insured is legally liable in payment of "bodily injury", "property damage" or "personal and advertising injury". "Ultimate net loss" must be fully determined as shown in Condition 18 - When Loss Payable. "Ultimate net loss" shall be reduced by any recoveries or salvages which have been paid or will be collected, but the amount of "ultimate net loss" shall not include any expenses incurred by any insured, by us or by any "underlying insurer".
27. "Underlying insurance" means the coverage(s) afforded under insurance policies designated in the Declarations under the Schedule of "underlying insurance" and any renewals or replacements of those policies.
28. "Underlying insurer" means any company issuing any policy of "underlying insurance".
29. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
30. "Wrongful act" means any actual or alleged error, misstatement or misleading statement, act, omission or neglect or breach of duty by a director or "executive officer" in discharge of their duties, individually or collectively, or any matter claimed against them solely by reason of their being directors or officers of your business.  
 "Wrongful act" does not include "bodily injury", "property damage" or "personal and advertising injury" as defined in this coverage form.
31. "Your product":
- Means:
    - Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - You;
      - Others trading under your name; or
      - A person or organization whose business or assets you have acquired; and
    - Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - Includes:
    - Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - The providing of or failure to provide warnings or instructions.
  - Does not include vending machines or other property rented to or located for the use of others but not sold.

**PBP 2832159 00****32. "Your work":****a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR  
PERSONAL INFORMATION AND DATA-RELATED LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA COVERAGE FORM

- A. Exclusion 2.w. of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:**

**2. Exclusions**

This insurance does not apply to:

**w. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES RELATED TO A  
CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:  
COMMERCIAL UMBRELLA COVERAGE FORM

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism":

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA COVERAGE FORM**

#### **A. Changes In Liability Coverage**

With regard to liability for Bodily Injury, Property Damage and Personal And Advertising Injury, unless we are prejudiced by the insured's or your failure to comply with the requirement, no provision of this Coverage Part requiring you or any insured to give notice of "occurrence", claim or "suit", or forward demands, notices, summonses or legal papers in connection with a claim or "suit", will bar coverage under this Coverage Part.

However, Paragraph **A.** does not apply with respect to the ownership, maintenance or use of "covered autos".

#### **B. The following is added to Section VI - Definitions:**

Except for any provision of a construction contract subject to Tex. Ins. Code **h** 151.102, Paragraph **12.** of the Definitions Section is replaced by the following:

##### **12. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of a contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement; or
- f.** That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".
- g.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law for injury to persons or property in the absence of any contract or agreement.

Paragraph **11.f.** and **g.** does not include that part of any contract or agreement:

- (1)** That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **11.g.(2)** above and supervisory, inspection, architectural or engineering activities ;
- (4)** That pertains to the loan, lease or rental of an "auto" to you or any of your "employees," if the "auto" is loaned, leased or rented with a driver; or
- (5)** That holds a person or organization engaged in the business of transporting property by "auto" for hire, harmless for your use of a "covered auto" over a route or territory that person or organization is authorized to serve by public authority.

#### **C. Paragraph 3. b., Cancellation of Section V. Conditions is replaced by the following:**

- b.** We may cancel this policy:

- (1) By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.  
However if this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described above, will be provided to the First Named Insured 30 days before the effective date of cancellation. We will also provide 30 days' written notice to each unit-owner to whom we issued a certificate or memorandum of insurance, by mailing or delivering the notice to each last mailing address known to us.
- (2) For the following reasons, if this policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two- family dwellings:
  - (a) If this policy has been in effect for 60 days or less, we may cancel for any reason except, that under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.
  - (b) If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:
    - 1) Fraud in obtaining coverage;
    - 2) Failure to pay premiums when due;
    - 3) An increase in hazard within the control of the insured which would produce an increase in rate;
    - 4) Loss of our reinsurance covering all or part of the risk covered by the policy; or
    - 5) If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.
- (3) For the following reasons, if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:
  - (a) If this policy has been in effect for less than 90 days, we may cancel coverage for any reason.
  - (b) If this policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel coverage, only for the following reasons:
    - 1) If the first Named Insured does not pay the premium or any portion of the premium when due;
    - 2) If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;
    - 3) If the Named Insured submits a fraudulent claim; or
    - 4) If there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.

**D. The following is added and supersedes provisions to the contrary:**

**NONRENEWAL**

1. We may elect not to renew this policy except, that under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
2. This Paragraph, 2. applies unless the policy qualifies under Paragraph 3. below. If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.
3. If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then we will mail or deliver written notice of nonrenewal, at least 30 days before the expiration or anniversary date of the policy, to:
  - a. The first Named Insured; and
  - b. Each unit-owner to whom we issued a certificate or memorandum of insurance.
We will mail or deliver such notice to each last mailing address known to us.
4. If notice is mailed, proof of mailing will be sufficient proof of notice.
5. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

**E. The following is added to Section V., Paragraph 5. - Duties In The Event Of An Act, Error Or Omission, Or "Claim" or "suit":**

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We will notify the first Named Insured in writing of:

1. An initial offer to compromise or settle a claim made or "suit" brought against any insured under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
2. Any settlement of a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 30th day after the day after the date of settlement.

**F.** The following is added to the policy.

With regard to liability for "administration" of your "employee benefit program", unless we are prejudiced by the insured's or your failure to comply with the requirement, no provision of this Coverage Form requiring you or any insured to give notice of "occurrence", claim or "suit", or forward demands, notices, summonses or legal papers in connection with a claim or "suit" will bar coverage under this Coverage Form.

**G.** The following is added to Section V. Conditions:

**CLAIMS HANDLING PROCEDURES**

We will notify you the first Named Insured in writing of:

- (a) An initial offer to compromise or settle a claim made or "suit" brought against any insured. The notice will be given no later than the 10th day after the date on which the offer is made.
- (b) Any settlement of a claim made or "suit" brought against the "insured". The notice will be given not later than the 30th day after the date of settlement.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA COVERAGE FORM**

**A. The following exclusion is added to Paragraph 2. Exclusions of Section 1. - Coverage A - Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**FUNGI OR BACTERIA**

**a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

**b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediation or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

**B. The following exclusion is added to Paragraph 2. Exclusions of Section 1. - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**FUNGI OR BACTERIA**

**a.** "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

**b.** Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediation or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

**C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.